

## Corporate

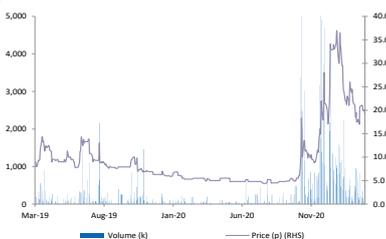
 Current price **20.0p**

 Sector **Mining**

 Code **PAT.L**

 AIM **AIM**

### Share Performance



	1m	3m	12m
<b>PAT.L</b>	-22%	-32%	+245%

Source: Thomson Reuters, Allenby Capital

### Share Data

 Market Cap (£m) **18.1**

 Shares in issue (m) **90.88**

52 weeks High Low

**37p 4.4p**

 Financial year end **31 March**

Source: Company Data, Allenby Capital

### Key Shareholders

Ore Acquisition Partners 9.2%

M Higgins 8.8%

Republic Investment Man 6.5%

G Stanley 6.0%

Atlas Financial International 3.9%

Source: Argus Vickers, Allenby Capital

**Peter J Dupont**

0203 002 2078

p.dupont@allenbycapital.com

www.allenbycapital.com

# Panthera Resources plc (PAT.L)

## Exposure to one of the great gold provinces

Panthera Resources is an AIM-listed gold exploration junior with projects in the Birimian Greenstone Belt of West Africa, one of the world's great gold provinces and in India's Aravelli Fold Belt. It has four directly and indirectly owned projects in Burkina Faso and Mali and another two in the new gold mining frontier of Nigeria. Evaluation work has yielded promising results with the most advanced project pointing to resources potentially over 1m oz Au. In Rajasthan, India, Panthera's Bhukia project has world class potential with resources possibly upwards of 6m oz Au. We believe the pace of appraisal on the Greenstone projects is likely to accelerate in 2021. This reflects the formation of a joint venture with a successful operator in the Birimian and the transformed finances following the recent Anglo Saxony Mining disposal.

- West Africa Greenstone Province:** The West Africa Greenstone Province covers an extensive area from Ghana in the east to Senegal in the west and from the Gulf of Guinea in the south to Mali and Burkina Faso in the north. According to geological sources, it hosts the world's second largest gold resource base after South Africa's Witwatersrand and accounts for 10% of current world gold production.
- Moydow Holdings jv:** Panthera announced a joint-venture with privately owned Moydow Holdings in July 2020. This left Panthera with a 46.2% stake in Moydow and a vehicle for accelerating the development of its two most advanced projects, Labola and Kalaka, in the West Africa Greenstone Province. It also provided exposure to two interesting projects in Nigeria. Moydow Holdings is the successor to TSX-listed Moydow Mines which made the major Ahafo discovery in the Sefwi Birimian Volcanic Belt in Ghana. Ahafo was subsequently sold to Newmont Corp (NEM:NYSE).
- Labola project:** Located within the Banfora Greenstone Belt in Burkina Faso, Labola has been extensively drilled by previous operators. It has estimated prospective resources of 0.6m oz Au grading 1.2g/t. Panthera believes there is potential to establish a JORC compliant resource of over 1m oz with 'limited exploration work'. Moydow has undertaken a detailed review of the data. We believe this will be a prelude to drilling in the coming months and a JORC compliant resource assessment of possibly significantly above 1m oz Au. This should be sufficient for mine development.
- Bhukia project:** Bhukia has a significant JORC compliant inferred resource of 1.74m oz Au grading 1.4g/t. The resource base would, however, appear to be considerably larger as evidenced by the Geological Survey of India which has estimated 6.7m oz, albeit non-JORC compliant. This suggests tier 1 mine potential. Panthera's jv partner, however, has been unable to obtain a Prospecting Licence from the Rajasthan State. The ultimate solution may be to seek redress under international treaty obligations.
- Valuation:** Based on a sum of the parts calculation our risked valuation for Panthera is US\$36.6m or £26.2m. For those projects with resource estimates we have used a valuation quotient of \$34/oz which is in line with our universe of juniors operating in the West African Birimian Greenstone Province. For earlier stage projects we have assigned nominal valuations for work undertaken. Our per share valuation is 28.8p. The granting of a Bhukia Prospecting Licence could release considerable valuation upside.

Year End: March (£000s)	2018	2019	2020	2021E	2022E
EBITDA	(2,523)	(1,571)	(1,126)	(1,157)	(1,430)
NET (DEBT)/CASH	1,572	188	98	1,897	478

Allenby Capital acts as Nomad &amp; Broker to Panthera Resources plc (PATP.L.).

Please refer to the last page of this communication for all required disclosures and risk warnings.

## Table of contents

CORPORATE PROFILE AND BACKGROUND	3
DIRECTORATE AND MANAGEMENT	6
BURKINA FASO AND MALI PHYSIOGRAPHY AND CLIMATE	8
BURKINA FASO AND MALI POLITICAL ECONOMY PROFILE	10
WEST AFRICA REGIONAL GEOLOGY AND GOLD PRODUCTION	12
BURKINA FASO PROJECTS	17
MALI PROJECTS	22
NIGERIA PROJECTS	25
INDIA PROJECTS	27
ANGLO SAXONY MINING LTD	31
RISKS AND CHALLENGES	32
FINANCIALS	33
SHARE PRICE PERFORMANCE AND VALUATION	36
SHARE PRICE CATALYSTS	39
DISCLAIMER & DISCLOSURE	41

## Corporate profile and background

### Focus on gold in West Africa and India

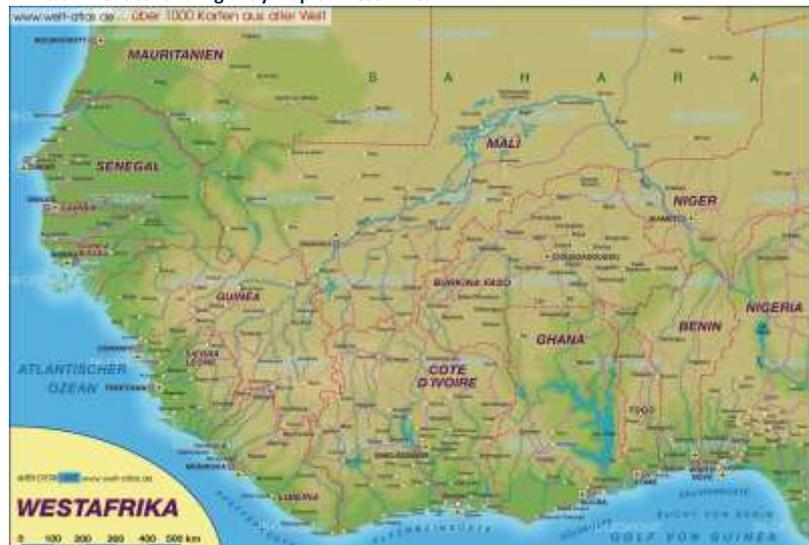
**Interests in six projects in West Africa and two in India:** Panthera Resources plc (PAT.L) is an AIM-listed mining exploration junior. It is focused on six directly and indirectly owned gold projects in West Africa and two directly owned gold and copper-gold projects in India. Four of the West African projects are located in the prolific Birimian Greenstone belts of the West African Craton, the world’s most rapidly growing gold production province. Two of the four Birimian projects are in Burkina Faso and two in Mali. The other two West African projects lie on the Benin-Nigeria Shield of Nigeria, a region less well known for its gold production but one that is attracting exploration and development interest.

**Joint-venture with Moydow in West Africa:** All six projects in West Africa have been subject either to previous artisanal mining or to appraisal activity, including drilling, by industrial concerns. The most advanced, the Burkina Faso Labola project, has a prospective resource derived by previous operators of over 0.6m oz Au based on historical drilling but this is unlikely to be the end of the story. Exploration activity both at Labola and elsewhere points to the potential, we believe, for project resources of >1 million oz. The two Nigerian licences along with one each in Burkina Faso and Mali are operated by Panthera’s joint-venture partner in West Africa, the privately owned BVI (British Virgin Islands) concern, Moydow Holdings Ltd. Panthera has a 46.2% equity interest in Moydow.

**Bhukia gold project in Rajasthan and Taregaon copper-gold project in Madhya Pradesh:** Unusually for a mining junior, Panthera has sizeable exploration interests in India via the Bhukia gold and the Taregaon copper-gold projects in the states of Rajasthan and Madhya Pradesh, respectively. Bhukia has a JORC compliant inferred resource of 1.74m oz Au. Based, however, on historical drilling activity resources could be considerably larger and possibly over 6m oz, which would suggest world class potential. Project development has however been stymied for some time by the failure of the State Government of Rajasthan to grant a Prospecting Licence.

**Disposal of ASM stake:** At the end of February 2021 Panthera announced the disposal of its 14.2% stake in Anglo Saxony Mining Ltd (ASM) a UK private company the principal interest of which is the Tellerhauser polymetallic project in Saxony, Germany. The disposal proceeds were US\$1.64m.

Exhibit 1: Political and highway map of West Africa



Source: Welt-Atlas

## Genesis of the company and strategy

### Chronology of events

**Indo Gold Ltd (IGL) established in 2005**-----: Panthera Resources has its origins in BSM Resources (India) Pty Ltd (BSMI), a privately held company registered in Brisbane, Australia in September 2004. A founding member of BSMI was the Panthera Chairman, Michael Higgins. BSMI was joint-ventured with Metal Mining India Ltd, (MMI) an Indian company established and managed by Mr Surender Chaku of Perth, Western Australia. BSMI was renamed Indo Gold Ltd (IGL) on June 17, 2005. Its constitution was also changed to be compliant with AIM or ASX requirements.

**-----to explore for gold in the country:** IGL was formed for the purpose of exploring for gold and other mineral resources in India. Its vehicle for doing so was Indo Gold Mines Pvt Ltd (IGMPL), effectively the joint-venture with MMI mentioned above with ownership split 70% and 30% between the former and latter respectively. IGMPL was incorporated on April 20, 2005 in Bangalore in the Indian state of Karnataka. The joint-venture was legally binding and gave IGL the right to explore and develop certain mineral properties held in trust by MMI. The properties were and remain Bhukia and Taregaon. IGL has a second legal entity in India, Indo Gold Resources Pvt Ltd (IGRPL), incorporated in Delhi in April 2006. This was devised for gold exploration in India outside the IGMPL joint-venture. So far, no other mineral properties have been obtained.

**Exploration focus switched to West Africa in 2016/17:** Reflecting the tortuous path and interminable delays in obtaining a Prospecting Licence from the State of Rajasthan, IGL redirected its efforts to gold exploration in West Africa in 2016 and 2017. Three projects were announced over the period. The first move was in December 2016 when IGL entered into a head of agreement (HoA) with local entrepreneurs to undertake due diligence on the Naton gold project in Burkina Faso. This was later converted into a joint-venture agreement to earn an 80% interest by spending \$1m on exploration over four years and meeting several other requirements. In February 2017 IGL entered into two further heads of agreement with Golden Spear Mali concerning the Kalaka and Bassala exploration projects. These were both subsequently converted into joint-ventures in which IGL exercised its right to acquire an 80% interest in the projects, subject to exploration expenditure commitments of \$1m over four years at Kalaka and \$0.5m over the same period at Bassala along with other conditions.

**IGL became Panthera Resources and listed in December 2017:** A corporate restructuring of IGL took place in September 2017. Panthera Resources PLC was incorporated in the UK as a new holding company for the group. IGL's shares were then acquired by Panthera in a one for one share offer. The board of directors of IGL were transferred to Panthera. As a result of the transaction, IGL became a Panthera subsidiary and the holding company for the Indian interests. Panthera Resources PLC was listed on AIM on December 21, 2017.

Several key strategic moves have been made since the AIM listing as follows:

- **Galaxy Mining stake taken in IGL in December 2018:** In December 2018 Panthera announced a strategic and funding partnership with the private Indian company Galaxy Gold Mining Ltd for IGL. This involved Galaxy taking a 5% stake in IGL in two tranches of \$0.50m in the first half of 2019. Galaxy has the option to take a further 5% stake for \$0.75m in the event of a prospecting licence being granted for the Bhukia project by the State of Rajasthan. Key objectives behind the deal were obtaining local knowledge on expediting the Bhukia project and raising needed capital. Galaxy's management has over 15 years' experience of mining in India and has the objective of establishing a 'premier Indian listed gold mining and investment company.'
- **Labola project in Burkina Faso added in May 2019:** A fourth gold project was added in West Africa in May 2019 with the completion of due diligence work

on the Labola licence in Burkina Faso. Labola had already been subject to considerable exploration work by other operators prior to acquisition and had prospective resources, albeit non JORC compliant of 0.6m oz Au. Panthera believes, however, that based on the work already undertaken there could be potential for a resource of over 1m oz Au. Significantly, Panthera opted to take a 100% interest in Labola for \$1m over a five-year period. Following the Moydow deal struck in 2020 Panthera now only has an indirect stake in Labola.

- **Moydow joint-venture in West Africa announced in July 2020**-----: In July 2020 Panthera announced the transfer of two of its projects in Burkina Faso and Mali into a joint-venture with Moydow Holdings Ltd, the British Virgin Islands based and privately owned gold explorer. Moydow Holdings is the successor to former TSX-listed Moydow Mines which made the Ahafo gold discovery in the Sefwi Birimian Volcanic Belt in Ghana. This is one of the largest gold mines in West Africa and indeed the world with proved and probable reserves at end 2019 of 9.64m oz Au based on Newmont data. Moydow's 50% stake in Ahafo was sold in 2003 to Newmont Mining while retaining a royalty. The latter royalty interest was ultimately sold to Franco Nevada for \$58m. Newmont currently owns 100% of Ahafo and produced 0.85m oz Au in 2020.

-----**to accelerate project development**: The rationale for the Moydow deal was to accelerate exploration and development work in West Africa while minimising Panthera shareholder dilution. Moydow was a known entity to Panthera management. The deal involved Panthera spinning off two of its four West African projects into Moydow. In return Panthera obtained a 46.2% interest in the new Moydow entity which included two gold exploration projects in Nigeria. It also received \$0.35m in cash.

## Strategy

**Focus on project development activity in West Africa**: Near term, Panthera and indeed Moydow are very much focused on exploration and appraisal activity on their West African assets. The key aspect of the work programme in 2021 for Panthera will probably be advancing the Bido and Bassala projects in Burkina Faso and Mali respectively to drilling and ultimately resource definition. For Moydow we think the key near-term objective will probably be to undertake a JORC compliant resource assessment at Labola, its most advanced project. Advancing the Kalaka project in Mali to drilling we think will also be a high priority along with continuing drilling activity at the Paimasa project in Nigeria. In India the priority near-term is to obtain a Prospecting Licence and thereby reinstating its mineral rights over the Bhukia gold project.

**Long-term aim to create a mid-tier mining concern**: Panthera has indicated previously that its longer-term aim is to create a mid-tier mining concern. It has neither defined mid-tier or the time frame over which the objective might be achieved. We think however in a pre-production gold context it could imply a market capitalisation of over \$100m and a JORC or NI 43-101 resource principally in the indicated category of comfortably over 3m oz Au with upside potential.

## DIRECTORATE AND MANAGEMENT

### **Michael L Higgins---Non-Executive Chairman**

Michael Higgins is a founding director of IGL. He is a geologist by background with a BSc Honours Degree in the subject from the University of New South Wales in Sydney. Much of his earlier professional experience was with Billiton, formerly the mining arm of Royal Dutch Shell. Here he spent 20 years in senior executive roles including in precious metals exploration and development. Michael Higgins was involved in two multimillion-ounce gold discoveries from the grass-roots stage. Post Billiton he went on to establish several junior exploration and development companies. Two of these were listed by RTO on the ASX and TSX-V. Following the May 2020 equity raise, Michael Higgins held 9.9% of Panthera stock.

### **Mark G Bolton---Managing Director and CEO**

Mark Bolton was appointed Managing Director and CEO on April 1, 2020. He is an accountant by background and commenced his career at Ernst & Young in Australia where he was latterly a Director in its Corporate Finance business. Mark Bolton has had considerable experience in the development and financing of new mineral projects, particularly in emerging economies in Africa and Asia. He has held executive roles at La Mancha Australia, First Quantum and AIM-listed Oilex Ltd where he was CFO. At Oilex Mark Bolton played a key role in resolving a number of complex legacy issues one of which was a long-standing dispute with an Indian state-owned joint-venture partner. Following the May 2020 equity raise Mark Bolton held 0.41% of Panthera stock. Mark Bolton is a Non-Executive Director on the Board of Moydow Holdings Ltd.

### **Antony J Truelove----Chief Operating Officer**

Antony Truelove is a geologist by background and has a First-Class Honours in the subject from the University of Adelaide. He has over 35 years in the mining industry and has held senior positions with marquee names such as Shell, Billiton, Newmont and Newcrest. Antony has also held positions with the mid-tier Delta Gold and the juniors Indo Gold and Southern Cross Goldfields. In terms of the last mentioned, Antony Truelove was the Managing Director and was involved in its flotation on the ASX. He is responsible for directing Panthera's exploration activity and operations and also acts as a consultant to Moydow Holdings on geological matters.

### **Mark Cranny----Chief financial Officer**

Mark Cranny is a Chartered Accountant with around 25 years in CFO roles in a diverse range of companies including in the mining, financial and tourism sectors. After obtaining a BCom from the Bond University, Gold Coast, Queensland Mark Cranny joined KPMG in Brisbane. Latterly he worked in their Consulting Division. In 2008 he established Intellectualive a provider of virtual CFO services. These have now been provided to over 20 companies.

### **Anthony Samaha--- Company Secretary**

Anthony Samaha is a Chartered Accountant and has a BCom degree. He commenced his career at Ernst & Young and has had 25 years' experience in accounting and corporate finance. Anthony Samaha is well versed in valuation work, IPOs, M&A and the management of AIM and TSX companies.

### **Non-Executive Directors**

Panthera has three Non-Executive Directors, Catherine Apthorpe, Tim Hargreaves and David Stein. Catherine Apthorpe is a solicitor and company secretary by background. She has 10 years' experience of the mining sector and was a senior member of Amara Mining's management before it was acquired by Perseus Mining. Tim Hargreaves has a BSc in Geology and a Diploma in Reservoir Engineering from the University of Sydney. He has broad technical and managerial experience of the resources sector over 40 years both with majors such as BHP and Texas Union and juniors. Since 2009 he has been Research

Director for the resources sector for Singapore-based Republic Investment Management. Republic is a shareholder in Panthera Resources. Tim Hargreaves is also President and CEO of the TSX-listed silver mining company, Kuya Silver (TSX: KUYA). Following the May 2020 equity raise Tim Hargreaves owned 2.26% of the stock in Panthera.

David Stein has a MSc in Economic Geology and a BSc in Geological Engineering from Queens University. He is also a CFA charter holder. David Stein has over 25 years' global resource industry experience from the perspective of an analyst and fund manager. He currently heads his own investment firm Aerecura Capital and acts as the portfolio manager for Ore Acquisition Partners LP, a shareholder in Panthera Resources. Prior to 2010 David Stein was a partner at Toronto-based Cormark Securities where he was a precious metals research analyst.

#### **Moydow Holdings**

##### **Brian Kiernan Executive Chairman**

**Moydow connection with the Ahafo gold discovery in Ghana:** Brian Kiernan has a BA (Hon) in Business Studies from the University of Ulster and has 25 years' experience in the mineral exploration and mining business in Africa and North America. He is currently the Moydow Holdings Executive Chairman and was previously the CEO of Moydow Mines. In the latter role he oversaw the exploration and development of several world class gold deposits most notably at Ahafo in Ghana. The Kiernan family, we believe, own the bulk of the majority 53.8% interest in Moydow Holdings. They also own a drilling company, Minerex Drilling, which is headquartered in Dublin and has depots in Dakar Senegal and Accra, Ghana. Minerex has been contracted to major mining concerns such as AngloGoldAshanti, BHP, Newmont and Gold Fields. In principle Minerex could undertake drilling work for Panthera/Moydow in West Africa.

## Burkina Faso and Mali physiography and climate

### Physiography

Land locked and over 1,000 km from the coast: Burkina Faso and Mali are both land locked countries a considerable distance inland. The capital city of the former Ouagadougou is about 1,150 km by highway north of the Côte d'Ivoire port city and business capital of Abidjan. The capital of Mali, Bamako, is approximately 1,170 km north west of Abidjan and 1,370 km east of Dakar the port city and capital of Senegal. Both Ouagadougou and Bamako are located on approximately latitude 13° N. Gold production in Burkina Faso takes place widely over the country from north to south and east to west. In Mali, however, a very large country, gold production is concentrated in the lower 20% of the country and south of latitude 13° N.

**Undulating tropical savanna:** The physiography of both Burkina Faso and southern Mali present no obstacles to mining. Southern Burkina Faso and Mali broadly south of the two capital cities are characterised by undulating tropical savanna grassland and shrubland. Altitudes are generally modest at between 200m and 600m in the south of both Burkina Faso and Mali but in the south west of the former there is a sandstone massif rising to 749m. North of around 13° N in both Burkina Faso and Mali the landscape evolves as semi-desert. Beyond around 16° N, approximately two thirds of Mali, the terrain is essentially desert except for the Niger flood plain zone.

**Major Volta Noire, Rouge and Niger river systems:** In southern Burkina Faso, the principal drainage system is via the Volta Noire and Rouge rivers. Southern Mali is drained principally by the Rivers Niger and Senegal. There should therefore be adequate water supplies for mining operations.

### Climate

**Year-round hot conditions with distinct wet and dry seasons:** South of around 16° N the climate in Mali and Burkina Faso is tropical with distinct wet and dry seasons. The wet season runs broadly from May to September with rainfall averaging less than 60 cm in the northerly latitudes of the Sahel to 90 cm in the Sudan-Guinea region in the south. In total, rainfall averages more than 90 cm pa in the south of Burkina Faso and Mali. Between October and March, particularly in the north, rainfall approximates to zero reflecting the prevalence of north easterly winds from the Sahara. Temperatures tend to be hot throughout the zone summer and winter. In the centre of Burkina Faso temperatures typically range between 17° C in December and January and 39° C in April. Particularly in the northern zones of Burkina Faso and Mali temperatures can on occasion exceed 45° C.

We believe climate conditions generally should not present major obstacles to mineral exploration or mining operations in either southern Burkina Faso or Mali. Intense rainfall may, however, impede the movement of heavy machinery from time to time on unpaved roads during the wet season. The flooding of open-pit operations may also be a problem on occasion.

### Logistics

**Long and potentially costly supply lines by truck from the coast:** The inland locations of Burkina Faso and Mali imply long and potentially costly supply lines from the coast. Both can be supplied from by either rail or road although we believe that the vast bulk of supplies from the coast are shipped by truck. The key truck arteries are either from Abidjan to Burkina Faso or Mali or from Dakar to Mali. Abidjan and Dakar are the two main deep-water ports in West Africa. The highways north from Abidjan into Burkina Faso and Mali are paved. We believe from Dakar to Bamako in Mali, the western leg of the Trans-African Highway, is mainly if not totally paved. An alternative truck route into Burkina Faso would be from the Togo port of Lomo.

Driving times by car are quoted on the internet as being around 13 hours from Abidjan to Ouagadougou and 23 hours from Dakar to Bamako. We believe the truck times might be closer to three or four days with the major issue being lengthy delays at the border crossings. All key inputs such as diesel, cyanide, explosives and equipment spares/consumables for mining and processing operations in Burkina Faso and Mali have to be imported.

**Rail routes are not heavy-duty freight lines:** The rail routes date from colonial times and are metre gauge. They operate from Abidjan to Ouagadougou in Burkina Faso and from Dakar to Bamako in Mali. By all accounts they are not heavy-duty freight lines and are probably in need of upgrade. Exports of gold dore from Burkina Faso and Mali, we believe, are made by air to refineries in Europe, Middle East and South Africa.

Exhibit 2: Dakar-Bakomo-Ouagadougou highway



Source: Wikipedia

## Burkina Faso and Mali political economy profile

### Overview

**Francophone nations in the Sahel region in Sub-Saharan West Africa:** Burkina Faso and Mali share many common characteristics in terms of economics, politics and cultural and historical background. Both are francophone nations in the Sahel region of Sub-Saharan West Africa and became independent from France in 1960. French is the official language in both countries. Reflecting the French colonial heritage, the legal systems in Burkina Faso and Mali derive from France and have judiciaries that are nominally independent. Populations in both countries are about 20m and have been growing rapidly at around 3% pa.

**France retains an influential presence through the CFA franc**----As in other parts of francophone West Africa, France retains an influential presence in Burkina Faso and Mali. The key manifestations of this are via a major military presence and the use of the CFA franc which is pegged to the euro and used widely throughout West and Central Africa. The CFA franc peg is €1=655.957, a rate which has been in existence since 1999. The French treasury is responsible for the management of the currency. The peg has the virtue of providing an element of financial stability and low inflation but tends to encourage high levels of imports. Broadly, we suspect the use of the CFA franc is a positive for the dollar-based gold mining sector.

-----**and a major military presence:** Following a near insurrection in Mali by Islamist terrorist groups in 2012, France substantially bolstered its military presence in the Sahel. It now has over 5,000 men along with air and logistical support in the region. Militarily the French forces have been successful in quelling terrorist activity but random acts of violence still frequently occur not only in Mali but also Burkina Faso. This applies particularly north of around latitude 12° N. Recently there had been speculation that President Macron wanted to downsize the French military presence in the Sahel. President Macron, however, has indicated there are no immediate plans to reduce troop levels.

### Government and politics

**Quasi-presidential system in Burkina Faso and Mali:** Burkina Faso has a quasi-presidential system of government with some similarities to the French Fifth Republic. The constitution calls for a President to be elected every five years for a maximum of two terms. The President appoints the Prime Minister who heads the executive branch with the consent of the legislature. The legislature can be dissolved by the President at any time.

The Economist Intelligence Unit has described Burkina Faso as a ‘hybrid regime’ in its ranking of political/governmental systems. The hybrid description is arguably a little unfair in an African context. As in many parts of the world, political compromises may have to be made from time to time in a complex difficult to manage society. The incumbent Burkina Faso President is Roch Marc Christian Kabore who heads a broadly social democrat party. He was elected for a second term in November 2020 with 57.7% of the popular vote.

**Mali coup prone over the past ten years but no impact on the mines:** Mali’s underlying constitution is also quasi-presidential and similar to that in Burkina Faso. The Economist Intelligence Unit similarly refers to Mali as having a ‘hybrid regime’. Over the past ten years the country has been coup prone with governments overthrown by the military in March 2012 and August 2020. On both occasions the coups were precipitated by concerns relating to a deteriorating security backdrop caused by Islamic terrorism. Following the latest coup a retired army coronel, Bah N’daw, took over as President from the centre-left Ibrahim Keita, with a military junta heading the government. Apparently, the August coup was welcomed by many in Mali but condemned internationally. By all accounts it also had no impact operationally on the gold mines.

**Possible constitutional changes in Mali:** In late January 2021 the abandonment of the coup was announced by the junta. Subsequently the Prime Minister appointed by the junta, Moctar Ouane, a former foreign minister, has indicated that new Presidential elections will be held in March 2022. He has also pointed to the possibility of amendments to the 1992 constitution.

## Economics

**Low-income commodity driven economies:** Both Burkina Faso and Mali are low-income commodity driven economies. Income levels average about \$900/year in both countries and 35% to 40% of the population lives below the poverty line. Historically the economies were orientated to the production of agricultural commodities particularly cotton and corn but over the past 15-20 years with the advent of industrial gold mining they have become gold centric.

**Gold accounts to 75% to 80% of Burkina Faso and Mali exports:** According to Barrick, mining which mainly refers to gold, currently accounts for almost 80% and 75% of Burkina Faso and Mali exports respectively. Gold mining is also a major contributor to government revenues and economic activity in both countries. Barrick has indicated that it has contributed \$3bn to Mali government revenues from royalties, taxes and dividends over the past 24 years. Including employee remuneration and payments to local suppliers, the contribution was a hefty \$7.7bn. Interestingly, Barrick estimates that its operations in Mali have accounted for between 5% and 12% of GDP over the past ten years. This probably implies that gold mining overall accounts for more than 20% of GDP. We suspect that a similar weighting applies to Burkina Faso.

**Strong economic growth trend driven in large part by gold:** For both Burkina Faso and Mali GDP is running at about \$17bn. Economic growth in recent years, with the exception of 2020, has been strong at 4-5% pa driven by rapid gold mine development and the upward trend in population. Preliminary indications suggest that economic growth was slightly positive in 2020 supported by sharply higher gold prices and lower fuel (diesel) costs bearing in mind that refined fuel products are all imported. Constraints on growth were the challenging backdrops surrounding security and the corona virus epidemic.

## West Africa regional geology and gold production

### Geology and mineralisation

**Man-Leo Shield a highly mineralised zone of the West African Craton:** Geologically, the most prominent feature of West Africa is the West African Craton or Shield. This is an extensive area of ancient Early Proterozoic igneous and sedimentary basement rock that has been stable since Precambrian times. The West African Craton broadly covers an area bounded by latitudes 8° N and 30° N (roughly equivalent to between the Gulf of Guinea and the Atlas Mountains) and longitudes 20° W and 0°. The south eastern zone of the Craton, known as the Man-Leo Shield, is highly mineralised and hosts economically valuable deposits of iron-ore, bauxite, base metals, manganese and particularly gold.

**Birimian Greenstone hosts gold mineralisation:** The gold mineralisation on the Man-Leo Shield is mainly contained in Birimian Greenstone formations overlaying the Archaean basement. Globally greenstones are the main geological source of gold. The Birimian Greenstones, named after the Birim River in Ghana, contain a mixture of interlayered metamorphosed volcanic, sedimentary and igneous rocks which has recrystallised under high pressure and heat. Included in the Birimian Greenstone belt are all or parts of the following countries: Ghana, Cote d’Ivoire, Burkina Faso, southern Mali, Senegal, Guinea, Liberia and Sierra Leone. Broadly the Greenstone Gold Belt extends between about 5° N and 15° N in West Africa and from 20° W to 0° (Greenwich meridian). It extends from Ghana in the east to Senegal in the west and from Cote d’Ivoire in the south to Burkina Faso and southern Mali in the north.

Exhibit 3: West Africa Birimian Greenstone Gold Province

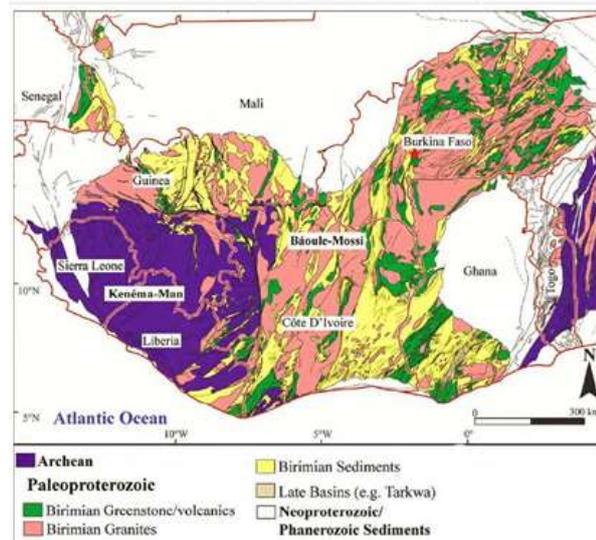


Figure 3: Baoule-Mossi Domain of the West Africa Craton with the approximate location of Naton Project shown by a star (After Parra-Avila et al (2017))

Source: Golder Associates CPR

**Greenstones formed 2.2-2.0 Ga at a time of heightened tectonic activity:** The conventional wisdom is that the Greenstones were formed between 2.2 billion and 2.0 billion years ago in the early stages of the Proterozoic eon (about half-way through the Precambrian). The precise mechanism by which they arose is subject to debate but a plausible theory is that they resulted from heightened tectonic activity remembering that the earth’s crust was much hotter and more unstable than at present. This is believed to have triggered a surge in volcanism and magmatism along with the emergence of gold-bearing fluids. Metamorphosis and large-scale igneous intrusions took place with the onset of the Eburnean Orogeny (period of mountain building) around 2.13bn years ago. According to the published literature, the bulk of the gold bearing ore in the Birimian

Greenstones relates to the Eburnean Orogeny. The NNE trending Greenstone formations also took on their characteristic structural form at this time reflecting the direction of shear zones and faulting.

**Birimian Greenstone Province second largest source of gold after the Witwatersrand:**

Typically, the Birimian Greenstone formations are about 20 km wide around 90 km apart and can extend for tens of kilometres in length. Gold is usually hosted in mesothermal quartz veins. Industrial mining is a mixture of open-cut and underground operations. The West Africa Birimian Greenstone Province contains the world's second largest gold resources after the Witwatersrand in South Africa, according to industry sources. The Witwatersrand's original endowment is put at 100,000 tonnes (54,000 tonnes to date) with the Birimian on 10,000 tonnes, the Yilgarn Craton in Western Australia on 8,000 tonnes and the Carlin Trend in Nevada on 6,000 tonnes.

## Regional production

**Man-Leo Shield one of the largest gold producing provinces:** West Africa, as reflected by the Man-Leo Shield zone Birimian Greenstone Province, is one of the world's leading gold producing provinces and Burkina Faso and Mali are key contributors to this status. Furthermore, reserves and production in West Africa have been on a rising trend in recent years which contrasts with the picture of declining trends in North America, Australia and particularly South Africa.

**West Africa accounts for about 10% of world gold production:** Based on Gold Council data, West Africa gold production in 2019 was 11.8 m oz. This was equivalent to 52% and 10.4% of African and world production, respectively. The largest gold producer in West Africa and indeed Africa as a whole, is Ghana with production of 4.58m oz in 2019. According to industry sources, production was slightly down at about 4.52m oz in 2020 but in 2021 is forecast to rise approximately 9% to 4.93m oz as phase 2 of AngloGold Ashanti's Obuasi mine comes on-stream. Based on the Ashanti Greenstone Belt, Ghana is the only country in West Africa with a long-standing tradition of industrial gold mining industry. Operations here commenced in the 1860s.

**Exhibit 4: West Africa gold production by country**

	2019		World Au production mix %
	Au tonnes	Au oz (000)	
<b>West Africa</b>			
Ghana	142.4	4,578	4.0
Burkina Faso	62.0	1,993	1.8
Mali	61.2	1,968	1.7
Côte d' Ivoire	41.9	1,347	1.2
Guinea	27.5	884	0.8
Senegal	16.8	540	0.5
<b>Birimian Greenstone Belt</b>	<b>351.8</b>	<b>11,311</b>	<b>10.0</b>
Nigeria	14.0	450	0.4
<b>Total</b>	<b>365.8</b>	<b>11,761</b>	<b>10.4</b>
<b>Other Africa</b>			
South Africa	118.2	3,800	3.3
Sudan	76.6	2,463	2.2
Tanzania	48.0	1,543	1.4
DRC	45.6	1,466	1.3
Zimbabwe	38.7	1,244	1.1
Egypt	14.9	479	0.4
<b>Total</b>	<b>342.0</b>	<b>10,996</b>	<b>9.7</b>
<b>Total Africa</b>	<b>707.8</b>	<b>22,756</b>	<b>20.0</b>
ROW	2,824.1	90,797	80.0
<b>World total</b>	<b>3,531.9</b>	<b>113,553</b>	<b>100.0</b>

Source: World Gold Council. Conversion: 1 tonne=32150.7 troy ounces

### Mali production

**West Africa industrial gold mining outside Ghana a recent phenomenon:** While artisanal gold mining has been undertaken in parts of West Africa over many years the region outside Ghana, surprisingly perhaps given the rich endowment, was until comparatively recently overlooked by industrial miners. Interest, however, increased from the early 1990s reflecting the major Loulo and Syama discoveries in Mali and the adoption of modern investor friendly mining code. Furthermore, reserves in the region lent themselves to bulk mining operations. Industrial mining in Mali commenced in the early 1990s following the development of the Syama mine by BHP. Other early mine start-ups were IAMGOLD's Sadiola and Yatela in 1996 and 2001 respectively and Rand Gold's Morila project in 2000 and Loulo project in 2005. In total, we believe there are now perhaps eight large scale industrial mines in Mali.

**Mali produced almost 2m oz of gold in 2019:** According to the USGS, Mali was producing around 1.65m oz of gold in the mid-2000s. After a dip in the late 2000s Mali's production trended upward post 2010 and was running at 1.97m oz in 2019 based on World Gold Council data. Malian government indications suggest broadly unchanged output in 2020. In 2019 Mali ranked as the fifth largest gold producer in Africa and accounted for 1.7% of world gold output.

**Barrick's large-scale Loulo-Goukoto mine in Mali:** The Mali production trend has been supported of late by Barrick Gold's large scale Loulo-Goukoto mine development. In 2020 production from this mine was running at 0.68m oz, around 35% of the Mali total. The strong performance at Goukoto has helped offset declining production or closures at some of the more mature mines such as Morila, Sadiola, Syama and Yatela which have shown evidence of depletion in recent years. To maintain viability underground mines as at Goukoto and Resolute's Syama operations have been developed.

### Who are the major producers in Mali?

**Barrick largest player in Mali:** Historically, Barrick (ABX:TSX) through the operations of the former Rand Gold has been the leading gold industry player in Mali. Barrick's leading position currently reflects its world class Loulo-Goukoto operations. The company's share of Mali country output of around 35% (100% ownership basis) is down moderately from levels of about 40% before recent divestments. It is the only top five gold producer operating in either Mali or Burkina Faso.

**Several mid-tier players of which B2Gold is the largest:** The other producers in Mali are a group of mainly mid-tier operators. The leading member of this group is B2Gold (BTO:TSX) with a share of 32% of country production through its Fekola operations (100% ownership basis). There then follows Resolute Resources (GBX: ASX/LSE) with a share of 11% based on its Syama mine, Wassoul'Or with 8% (estimated) based on its Kodieran mine and Hummingbird Resources 5% (HUM: AIM) based on its Yanfolila mine.

**Exhibit 5: Mali gold producers by operator**

Operator	Mines	Exchange symbol	2020 production Au oz (000)
Barrick Gold	Loulo-Goukoto	TSX: ABX	685
B2Gold	Fekola	TSX: BTO	623
Resolute Resources	Syama	ASX/LSE: GBX	214
Wassoul'Or	Kodieran	Private	150
Hummingbird Resources	Yanfolila	AIM: HUM	101
Other			207
<b>Total</b>			<b>1,980</b>

Source: Company reports and Allenby Capital estimates

### Burkina Faso

**Burkina Faso produced 1.99m oz Au in 2019:** Burkina Faso gold mine development started later than in Mali and dates from the late 2000s. According to USGS data, Burkina Faso gold production in 2006 was a mere 50,700 oz. By 2010, however, production had risen to 0.74m oz. One of the earlier largescale mines to come on-stream was Essakane in the north of Burkina Faso. Operations here started in July 2010 following IAMGOLD's (IMG: TSX) acquisition in February 2009 of Orezone Resources. Burkina Faso's production trended upward at a faster pace post 2010 than in Mali. By 2019 production was slightly ahead of Mali at 1.99m oz implying an 11.7 % pa gain since 2010. Burkina Faso ranked number four in African gold production in 2019 with a share of 8.8%. Its world share was 1.8%. We believe production in Burkina Faso was broadly unchanged in 2020 from a year earlier.

**Several large scale mine start-ups and expansions over past five years:** Over the past five years or so several large mines have come on-stream in Burkina Faso. Key examples are RoxGold's Yaramoko mine in 2016 and Endeavor's Hounde and Wahgnion mines in 2017 and 2019 respectively. Mines such as Nordgold's Bissa, IAMGOLD's Essakane and Endeavour's Hounde have also been expanded. A continuing high rate of project development suggests that production is likely to trend upward through mid-decade, although it should be noted that this will be partially offset by reserve depletion. We believe currently there about 13 large scale industrial gold mines operating in Burkina Faso.

### Who are the major producers in Burkina Faso?

**Burkina Faso gold output dominated by three mid-tier producers led by Endeavor:** Gold production in Burkina Faso is dominated by three mid-tier producers, Endeavour Mining (EDV: TSX), IMGOLD (IMG:TSX) and Nordgold (NORD: LSE). These three, account for about 80% of the total. Comfortably the largest is Endeavour which following the recent acquisition of TSX-listed Teranga Gold has five mines with output in 2020 of 0.84m oz Au (100% ownership basis), for a 42% share of in country production. Endeavour's largest mine Hounde had output in 2020 of 0.24m oz.

**IAMGOLD and Nordgold are the other two major producers:** Number two ranked IAMGOLD produced 0.40m oz Au (100% basis) from its Essakane mine for a share of 20%. The less well-known and tightly held London-listed Nordgold (LSE: Nord) produced in 2020 0.32m oz from two mines. This was equivalent to 16% of the Burkina Faso total. Avesoro Jersey Ltd, a Jersey-based private company, we believe may have produced in 2020 about 0.12m oz Au from the Youga mine in southern Burkina Faso. Avesoro Jersey acquired Avesoro Resources, a TSX-listed company which previously owned Youga and other gold mining interests, in early 2020.

**Exhibit 6: Burkina Faso gold production by operator**

Operator	Mines	Exchange symbol	2020 production Au oz (000)
Endeavor Mining	Hounde, Mana, Boungou, Wahgnion, Karma	TSX: EDV	907
IAMGOLD Corporation	Essakane	TSX: IMG	368
Nordgold	Bissa-Bouly, Taparko	LSE: NORD	322
Roxgold	Yaramoko	TSX: ROGD	134
Avesoro Resources	Balogo, Youga	Private	150
Other			119
<b>Total</b>			<b>2,000</b>

Source: Company reports and Allenby Capital estimates

### Artisanal production

**Extensive artisanal workings in both Mali and Burkina Faso:** In addition to industrial mining, Burkina Faso and Mali also host extensive artisanal gold mining operations. Typically, near surface placer soft rock deposits are targeted along with alluvial deposits. Occasionally near surface veins are mined. Artisanal workings are largely or completely

unregulated and may in some cases be technically illegal. In both countries artisanal workings appear to have informal headcounts of several hundred thousand. Production is unclear given that mining is un-regulated and exports take place through unorthodox channels to evade tax and other charges. We think it would not be surprising if artisanal production is 5-10 % of industrial production.

#### Who are the juniors in West Africa?

**Around 20 juniors operating in West Africa:** The West African gold province has attracted the interest of a sizeable number of exploration juniors. In total we believe there are around 20, including Panthera and Moydow, attracted by the prospectivity and well understood geology of the province plus the generally favourable fiscal and royalty regimes in existence. The most popular destinations are Burkina Faso, Mali and Côte d'Ivoire.

The juniors are mainly ASX and TSX listed. As far as we are aware, the only AIM-listed gold juniors with a presence in West Africa are Cora Gold and Panthera. Enterprise values range between US\$8m and US\$117m and average US\$39m.

**Exhibit 7: Gold juniors operating in West Africa**

Company	Symbol	Share price	Enterprise Value US\$m	Jurisdiction
African Gold	A1G: ASX	A\$0.195	14	Mali
Chesser Resources	CHZ: ASX	A\$0.175	63	Senegal
Compass Gold	CVB: TSX-V	C\$0.185	10	Mali
Cora Gold	CORAC: AIM	7.875p	19	Mali
Desert Gold	DAU-V	C\$0.165	13	Mali
Golden Rim Resources	GMR-ASX	A\$0.009	8	Burkina Faso
Mako Gold	MKG: ASX	A\$0.105	22	Côte d'Ivoire
Manas Resources	MSR: ASX	A\$0.006	9	Côte d'Ivoire
Marvel Gold	MVL: ASX	A\$0.048	26	Mali
Montage Gold Corp	MAU: TSX-V	C\$0.80	63	Côte d'Ivoire
Newcore Gold	NCAU: TSX-V	C\$0.62	48	Côte d'Ivoire
Oklo Resources	OKU: ASX	A\$0.1675	59	Mali
Panthera Resources	PATP: AIM	20.6p	26	Burkina Faso, Mali
Predictive Discovery	PDI: ASX	A\$0.057	41	Guinea
Roscan Gold	ROS: TSX-V	C\$0.36	79	Mali
Sarama Resources	SWA-TSX-V	C\$0.255	16	Burkina Faso
Tanga Resources	TRL: ASX	A\$0.046	14	Côte d'Ivoire
Thor Explorations	THOR: TSX-V	C\$0.21	95	Nigeria
Tietto Minerals	TIE: ASX	A\$0.34	117	Côte d'Ivoire
<b>Average</b>			<b>39</b>	

Source: Marvel Gold and Refinitiv

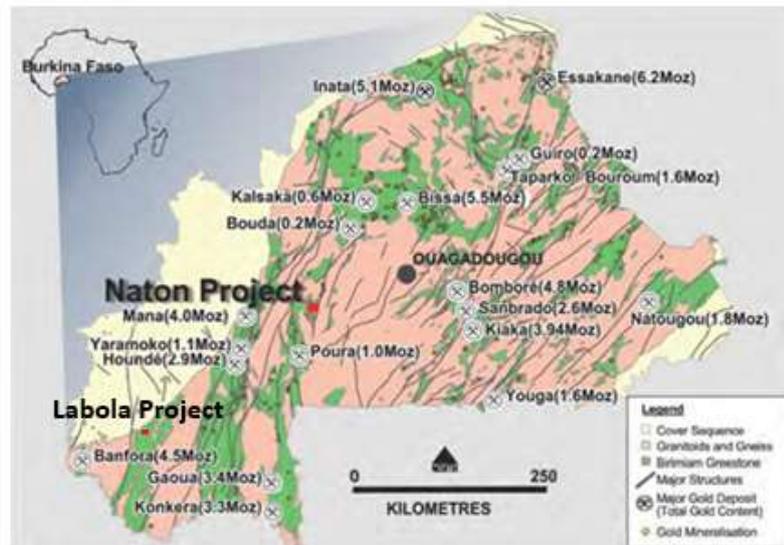
Note: Prices and enterprise values are at February 26, 2021 status.

Exchange rates: US\$1=A\$1.2567, US\$1=C\$1.2517

## Burkina Faso projects

Panthera has two projects in Burkina Faso. These are the directly owned Bido (previously Naton) and the indirectly owned Labola. The interest in the latter is held via the 46.2% stake in Moydow Holdings Ltd. Both projects are in the south west of the country.

Exhibit 8: Burkina Faso simplified geology and project locations



Source: Company, Golder Associates CPR. Note: Naton is now the Bido Project

## Bido

### Licence

**Bido 120 km WSW of Burkina Faso capital:** The Bido licence covers 100 km<sup>2</sup> and lies about 120km west south west of the Burkina Faso capital, Ouagadougou. It is accessed by the main N1 paved highway heading towards the town of Koudougou and from there by local paved and well graded gravel roads. The licence was granted by the Burkina Faso Minister of Mines and is currently owned by the local entrepreneurs Messrs Boubacar Sanou and Karine Sanou. It has an expiry date of October 2023 but can be extended for two further three-year periods.

**Conducting exploration and appraisal to earn up to a 100% interest:** Panthera is conducting exploration and appraisal activity to obtain an 80% interest in the licence. This will require \$1m of exploration expenditure by on or before 2022. Panthera has the option to raise its interest to 100% by spending another \$1m on or before July 2024. Its joint-venture partners are also entitled to a royalty of a net smelter return (NSR) of 1% on gold production capped at \$3m over the life of the project. As of March 2020, Panthera had expended \$0.54m.

Note, that in the event of a mine being established at Bido or elsewhere in Burkina Faso, the government is entitled to a 10% free carried equity interest and royalty payments based on a sliding scale. Corporation tax would be levied at 17%.

### Geology and exploration activity

**Most easterly of the three main NNE trending Birimian Greenstone Belts:** Geologically, Bido lies on the most easterly of the three NNE trending Birimian Greenstone belts in south west Burkina Faso. Golder Associates Competent Person's Report referred to approximately 75% of the licence basement consisting of Birimian Greenstone. According

to Golder, all known orogenic gold deposits in Burkina Faso are hosted by Birimian Greenstones. Significantly, the licence has been subject to extensive artisanal workings including mining a shallow vein at a depth of about 20m at the small Somika mine.

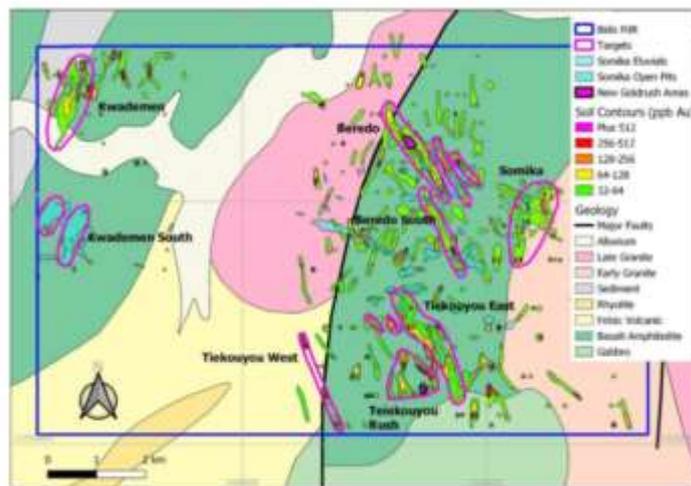
**Significant body of data available:** The Bido project is still early stage in terms of exploration activity but historical field work and drilling and information from artisanal workings have yielded a significant body of data. Several prospects notably, Somika Hill, Kwademan and Kwademan South, have already been identified. Exploration on the licence was undertaken during the early 1980s by a joint UN-Burkina Faso Government team and then spasmodically between 1996 and 2018. The Canadian junior Carlin Resource Corporation undertook soil sampling, trenching and mapping of old workings between 1996 and 1998 as well as 2,836m of RC drilling. Apparently, significant gold intercepts were made. Another Canadian junior in conjunction with the local company SGM (Sahel Gold Mines), undertook RAB (rotary air blast) and diamond drilling in the north west of the licence in 2014 near the Kwademan prospect with positive results.

**Very encouraging appraisal activity beginning with 2018 drilling programme:** Appraisal activity at Bido has so far been very encouraging. The most recent drilling programme was conducted by Panthera in July 2018. This involved 1,077m of RC drilling in the east of the licence close to the Somika mine. The programme was described as very successful with the Bido vein, Kaga vein and Somika East targets all upgraded. Positive results were obtained with over 3 g/tonne returned from each target and a best result of 32.3 g/tonne.

**Recent soil sampling survey yielded excellent results with some very high grades:** A recent soil sampling survey towards the south of the tenement has yielded what Panthera refers to as 'excellent results'. Furthermore, Panthera believes these results confirm that the Bido tenement has the 'potential for high-grade mineralisation'. In total, 1,166 soil samples were collected and assayed with some very high grades as follows: 22.6 g/t Au, 16.7 g/t Au, 4.15 g/t Au, 3.72 g/t Au, 3.06 g/t Au and 2.1 g/t Au. Panthera suggest that the high assay readings are indicative of the residual nature of the soil profile and the common occurrence of nuggety gold in the region. Interestingly, however, the area where the high grades have been identified has yet to attract the attention of the artisanal miners which suggests untested exploration potential.

Soil sampling work seems to be pointing to the presence of two significant NNW trending prospects, Tiekouyou West and East, in the south of the sentiment. Adjacent to Tiekouyou East lies Tiekouyou Rush which has attracted artisanal interest.

Exhibit 9: Bido exploration targets



Source: Company

### Work programme

**Panthera refers to Bido as an excellent exploration opportunity:** Panthera has indicated that Bido is shaping up as an excellent exploration opportunity with numerous untested in soil gold anomalies some with high-grade characteristics and others with significant size potential. The geological model that appears to be emerging at the Beredo prospect towards the north of the tenement and Tiekouyou West and East in the south is for mafic deposits (dark igneous material) to be crossed by large scale ladder veins (regularly spaced parallel fractures) trending in a north westerly direction.

**Drilling possible in second half of 2021:** The work programme in the coming months will test the above hypothesis. Presently, detailed geological mapping is underway. Panthera has indicated that geophysical surveying (Induced Polarisation or IP), rock chip sampling, infill soil sampling and possibly trenching are planned to identify drilling targets for testing in the second half of 2021.

## Labola

### Licence

Located 380 km SW of Ouagadougou, Panthera's most advanced project held indirectly through Moydow: Labola, Panthera's most advanced project, has a resource established by previous operators and has been subject to considerable drilling. The licence covers 65 km<sup>2</sup> and is in south west Burkina Faso approximately 380 km south west of Ouagadougou close to the town of Banfora and about 105 km north of the border with Cote d' Ivoire. It is accessible via the N1 highway.

Moydow has the option to buy a 100% interest in Labola for consideration of \$1m payable at any time in the five years to 2025. A further \$1m will become due if a JORC compliant resource of >1m oz Au is established.

### Geology and exploration activity

Located on the most westerly of the three main Birimian Greenstone Belts: Geologically Labola lies towards the southern end of the Banfora Greenstone Belt the most westerly of three major NNE trending Birimian Greenstone belts in southern Burkina Faso. Although in a prospective greenstone location, Labola is relatively distant from major industrial mines. The closest is Endeavor's (formerly Teranga Gold) Wahgnion mine about 100 km to the south west which lies on a smaller Birimian greenstone belt extending into Cote d'Ivoire. Wahgnion has measured and indicated resources of 2.37m oz Au, according to Endeavor. Labola is also about 130 km south west of Endeavour's large Hounde mine which has measured and indicated resources of 4.45m oz Au. Significantly, Labola is on the same greenstone belt trend as Perseus Mining's (PRU: ASX/TSX) new Yaoure mine about 450 km to the south in Cote d' Ivoire. This has measured and indicated resources of 2.11m oz Au.

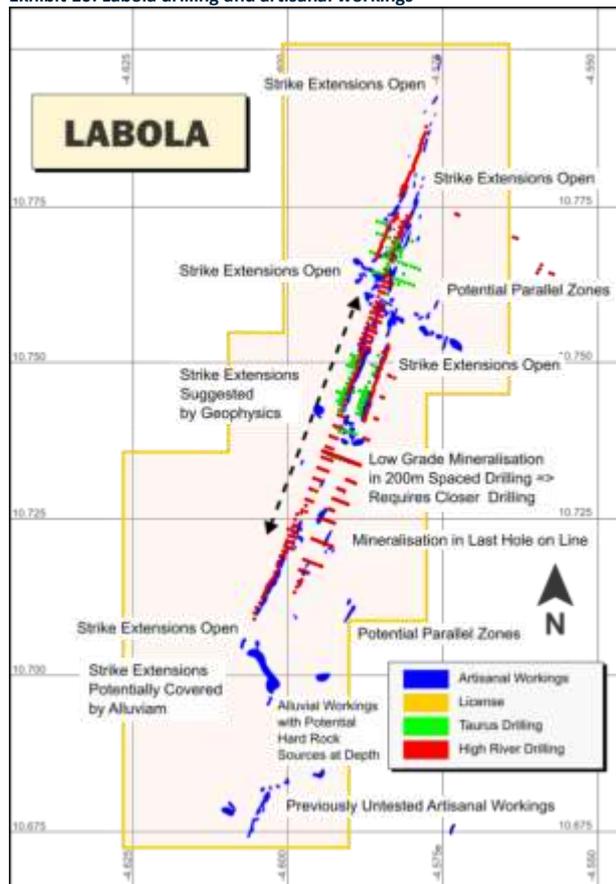
We believe the Labola project has four particularly interesting features as follows:

- **Artisanal presence:** The area has been extensively worked over by artisanal miners since around 2004 with the focus on near-surface (10m-30m deep) weathered quartz vein material in metasediments. Artisanal mining has taken place over 7 km of the known strike.
- **Three vein systems:** Three parallel vein systems have been identified by satellite imaging and drilling over 9 km of strike. Recent activity suggests several additional sub-parallel vein systems may also be present.
- **Considerable drilling activity:** The property has been subject to considerable RC (reverse circulation) and diamond drilling by previous operators in the form of Toronto-based High River Gold (subsequently acquired by Nordgold) and the South African private company Taurus Gold. In total 65,556m over 541 holes

have been drilled split 60% RC (361 holes), 38% diamond (132 holes) and 2% RAB (48 holes). This ranks as a major drilling programme and we believe not dissimilar to those undertaken at other Burkina Faso discoveries. Drilling identified significant mineralisation at depths up to 250m below the surface.

- **Resource base:** Based on drilling activity and survey work, the previous operators estimated Labola resources of around 0.6m oz Au which at a grade of 1.2 g/t. Panthera and Moydow have not only verified the plausibility of this estimate following a detailed review of the data but have suggested there is scope for an upgrade to a JORC or 43-101 compliant resource with 'limited exploration work'. Apparently, the key deficiency in the data is that hole spacing was insufficiently dense over much of the strike for a JORC or NI43-101 resource estimate. Historical drilling it appears was more orientated to determining the strike than establishing a resource estimate.
- **Extensive data base:** Panthera and Moydow have obtained the extensive historical drilling, geological, geochemical and geophysical data base relating to Labola. The value of this is over \$10m according to Panthera and will clearly assist in a cost-effective appraisal of the property.
- **Metallurgical testing encouraging:** Preliminary metallurgical testing is encouraging and suggests that gold mineralisation in both the sulphide and oxide circuits is likely to be amenable to CIL (carbon-in-leach) production. This is the most efficient process for producing gold.

Exhibit 10: Labola drilling and artisanal workings



Source: Company

### Grades and resource base

**Resources possibly >1m oz Au:** The data obtained so far for Labola suggests moderate gold grades overall given the 1.2 g/t implied by the inhouse resource estimate. Moderate grades arguably typify the wider Burkina Faso gold province. There is, however, evidence of pockets of high-grade material at Labola as noted from historical drill results as follows:

- 2m@ 130.6 g/t Au from 66m
- 11m@ 8.2 g/t Au from 147m
- 6.5m@ 7.3 g/t Au from 318m

The key question now is how much gold is really contained within the rocks of Labola. In the 2020 Annual Report Panthera suggested that based on its own estimate, along with those of earlier operators, an exploration target of 15-30m tonnes @1.0-1.5 g/t Au or 0.5m-1.5m oz of gold would be plausible. The more than doubling at the top end of the range compared with the 0.6m oz estimated by the previous operators reflects several factors. These include the potential for infill drilling, drilling along strike and appraisal of the deeper prospects which appear to offer the potential for higher grades.

We believe that based on evidence elsewhere, an open-pit operation at Labola, assuming a mineable resource of over 1m oz and a gold price at late February 2021 levels of around \$1,750, could potentially be viable. This would, of course, require verification in a scoping study and later a pre-feasibility study.

### Work programme

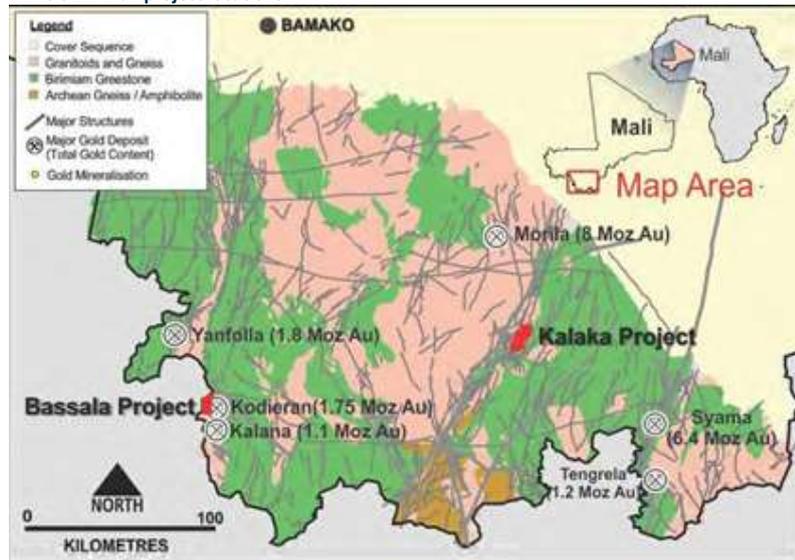
**JORC or NI 43-101 resource possible by end 2021:** Following receipt of the final tranche of exploration data on Labola in December 2020, Moydow has been undertaking a thorough review of the information. This includes establishing a consolidated database for the first time, modelling and planning for geochemical, geophysical and drilling programmes. Intimations by Moydow indicate that field work including drilling are likely to commence in the coming months. The key purpose of the Labola work programme near-term will, we believe, be to establish a JORC or NI 43-101 compliant resource base. We believe this could be available by end 2021.

Assuming the results of the resource assessment are satisfactory, the next stage in the proceedings would probably be to undertake a scoping study to obtain a broad idea of viability. This would probably be followed by a pre-feasibility study. During the intervening period we believe it likely that further drilling would be undertaken to de-risk the project and expand the resource base.

## Mali projects

Panthera has two exploration projects in Mali. These are the directly owned Bassala and the indirectly owned Kalaka. Panthera’s interest in the latter is held by the 46.2% stake in Moydow Holdings Ltd. Both projects are relatively early stage and located in south west Mali on the highly prospective Baoule-Mossic Domain of the Man-Leo Shield. Kalaka, is the more advanced of the two. The joint-venture partner of Panthera and Moydow in Mali is the local company, Golden Spear Mali.

Exhibit 11: Mali project locations



Source: Company and Golder Associates CPR

## Kalaka

### Licence

**Located 260 km south east of Bamako:** The Kalaka licence covers 61.5 km<sup>2</sup> and is located 260 km south east of Mali’s capital, Bamako. It can be accessed from Bamako on a major paved road in the direction of Sikasso, the regional capital of the same name, close to the border with Burkina Faso. The last few kilometres are on gravel roads. Kalaka is about 85 km north west of Resolute’s Syama mine.

The holder of the licence is Golden Spear Mali. Before the spin-off to Moydow, Panthera was seeking to earn an 80% interest in the licence by spending \$1m on exploration over a four-year period. Golden Spear also has the right to a royalty based on a 1% net smelter return up to a maximum of \$3.0m.

### Geology and exploration

**Located on a major Birimian Greenstone Belt:** Golder’s CPR refers to Kalaka having positive geological indicators for economic gold mineralisation. A key one is that the Kalaka licence lies on a major Birimian Greenstone belt. Significantly, Golder’s CPR refers to 80% of the basement rock comprising such greenstones. Golder also suggested that the structural setting at Kalaka is conducive to gold deposits reflecting the project lying to the east of the major regional Banifin Shear Zone. Importantly, the licence area contains artisanal workings, particularly towards the south of the property. Here there are over 1,000 shafts up to 10m deep.

**Resource estimate for K1A prospect 0.25-0.50m oz Au:** Significant modern exploration work has been undertaken on the property starting in 2001 and undertaken by AngloGold

and Golden Spear Mali. The work has included geophysical surveys, soil sampling, structural interpretation, geological mapping and drilling which has comprised 12 diamond and 17 RC holes. According to the CPR, many of the holes intersected potentially economic grades. The most advanced part of the Kalaka project is what has been defined as the K1A prospect towards the southern extremity. Here a resource study was commissioned by Golden Spear which suggested a potential resource of 0.25m to 0.50m oz Au at a 0.5 g/t cut-off. Moydow has referred to there being clear evidence of a large but low-grade gold deposit at K1A.

#### Work programme

Moydow has suggested that it has two near-term work programme priorities for Kalaka. These are to undertake geophysical surveys to gain a better understanding of the sub-surface and drilling the potentially higher-grade zones towards the southern extremity of the licence where there are extensive artisanal workings.

## Bassala

#### Licence

**Located 200 km south of Bamako in the vicinity of three large gold mines:** Golder's CPR referred to Bassala as an 'early-stage exploration project with positive indicators for economic scale mineralisation'. The licence covers 27.4 km<sup>2</sup> and is 200 km south of Bamako close to the border with Guinea. The property can be easily accessed by paved highway from Bamako to Bougouni and then in the direction of the border town of Yanfolila. Bassala is located in an established mining area with three large mines in close proximity. These are Wassoul'Or's Koderian mine (2.5m oz Au resource) 5km to the east, Endeavor's Kalana development project (2.3m oz Au) 8 km to the south east and Hummingbird's Yanfolia mine (2.0 m oz Au resource) 35 km to the north west.

The holder of the Bassala licence is Golden Spear Mali. Panthera is seeking to earn an 80% interest in the licence by spending \$0.5m over a four-year period.

#### Geology and exploration

**Birimian Greenstone location on same set of shears and faults as Koderian mine:** Basement rocks across the Bassala property are comprised entirely of Birimian meta-sediment volcanic rocks. These host greenstone formations which are the source for all known orogenic gold deposits in southern Mali. The regional geological structure was described in the CPR as being a north-south trending synform bounded by two large granite intrusions to the east and west. Major structural features in the form of shears and faults trend SW-NE. Significantly, Bassala lies on the same set of shears and faults as the large-scale Koderian gold mine. Here, five mesothermal gold-bearing quartz veins have been identified. A similar style of mineralisation also appears to be apparent at Kalana.

**Limited exploration between 2004 and 2007:** Golden Spear undertook some limited exploration work on Bassala between 2004 and 2007 via its joint venture partner AngloGold. This included soil sampling, trenching (four trenches), geological mapping and RAB (rotary air blast) drilling (114 holes). The results were generally positive. Trenching revealed that mineralisation is associated with quartz veins controlled by regional shearing while drilling confirmed the presence of subsurface mineralisation. This included a RAB intercept of 21m@ 1.15 g/t from 15m and 3m@ 4.52 g/t from 33m. Samples from ten holes assayed higher than 300 ppb with the highest assay reporting 4,520 ppb. We believe any assay over 1,000 ppb is a very positive result.

#### Work programme

So far, Panthera has only conducted limited evaluation work at Bassala. This has included data compilation, close spaced geochemistry, geological mapping and towards end 2020 a ground magnetic survey. Importantly, following analysis of the magnetic survey results and correlation with the soil chemistry data, Panthera has concluded that Bassala could

host a large exploration target with strike potential of over 8 km. Evaluation work related to the magnetic survey will be used to determine drilling targets in the first half of 2021.

**Geochemical and geophysical programmes possible in the coming months:** The tentative work programme calls for an extension of the geochemical survey to the west of the licence and geophysical surveys. Depending on results, this work could be a prelude to RAB and ultimately RC and diamond drilling. RAB drilling is a possibility in the second half of 2021 in our view.

## Nigeria projects

### Licences

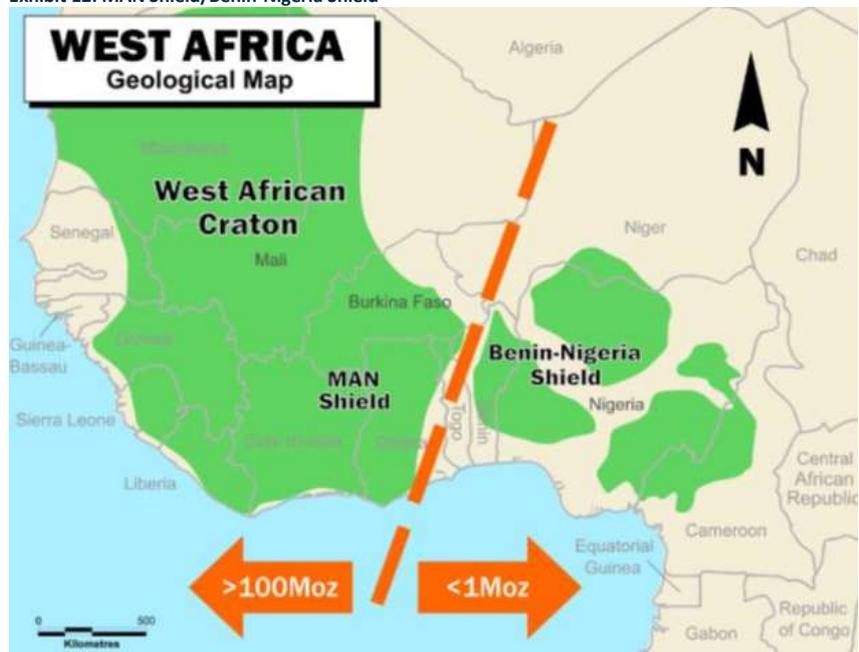
**Indirect interest in two projects:** Panthera has indirect interests in two gold exploration projects, Paimasa and Dagma, in the Kushaka Schist Belt of central Nigeria. The projects are held via Panthera’s 46.2% stake in Moydow Holdings Ltd. Currently, Moydow has a 20% interest in the Nigerian joint-venture company, Gaura Holdings Ltd. Moydow’s partner in this venture is a private Nigerian company, PW Nigeria Mining Ltd. Panthera’s indirect interest in the Nigerian licences is therefore currently 9.24%.

**Potential 30% interest:** Moydow can earn up to 65% of the Gaura joint-venture by funding \$2m of project expenditure by 2023. Assuming this occurs, as seems likely, Panthera would have a 30.03% indirect interest in Gaura and the Nigerian projects.

### Location

**Located relatively close to Abuja----**: Both the Paimasa and Dagma projects are located in relatively close proximity to Abuja, the Nigerian capital and have good communication infrastructure. Paimasa lies approximately 115 km north west of Abuja while Dagma is 45 km north east of the Paimasa location.

Exhibit 12: MAN Shield/Benin-Nigeria Shield

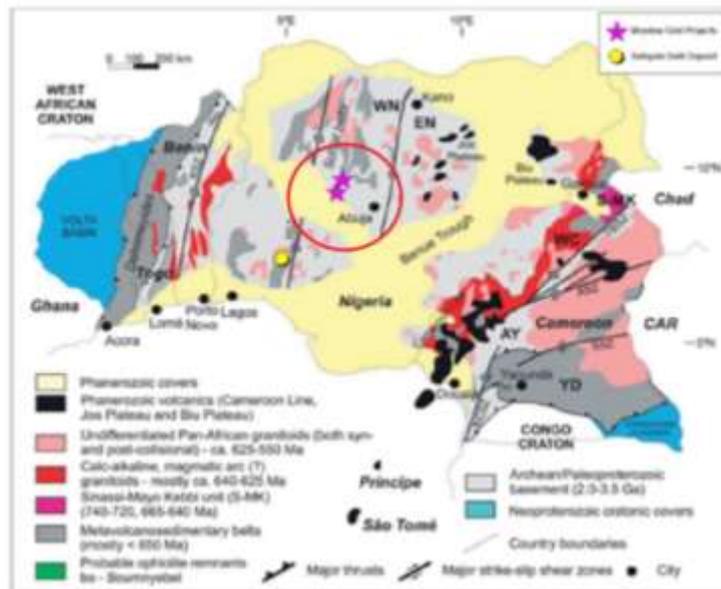


Source: Moydow Holdings Ltd

### Geology

**-----on the Benin-Nigeria Shield:** Geologically, Moydow’s projects are both situated on the Benin-Nigerian Shield (BNS) which covers most of the western half of Nigeria. The BNS is separated from the Man-Leo Shield to the west by a major zone of faulting and shearing. Ancient igneous rocks of Archaean to Proterozoic age form the basement and were subject to the major tectonic forces of the Pan-African Orogeny 650-550 years’ ago. In a similar fashion to the Man-Leo Shield the BNS contains metamorphosed volcanic-sedimentary belts which are believed to have formed in the later stages of the Orogeny. Elongated zones of schist (metamorphic rock derived from mudstone, shale and igneous rock) have proven to be prospective for gold and have been exploited by artisanal miners in the BNS.

Exhibit 13: Simplified geology of Nigeria and surrounding regions



Source: Company

### Nigeria's first industrial gold mine

**Thor Explorations Segilola mine nearing start-up:** Small quantities of gold have been produced intermittently in Nigeria since early in the 20th century. Now, however, Nigeria is poised to commence industrial gold mining. This reflects the pending commercial start-up in the second quarter of 2021 of Thor Explorations' (THX: TSX-V) Segilola mine in the south west of the country 120 km north east of Lagos. Segilola is a high-grade (4.5g/t) mine with indicated resources of 0.56m oz Au and average life of mine output of 80,000 oz Au pa. Geologically, Segilola is located in the Proterozoic Kushaka Schist Belt.

### Exploration activity

**Nigeria a new gold frontier:** Despite the known prospectivity of the BNS, little professional exploration for gold has been undertaken in Nigeria for 50 years or more. The focus of attention has been petroleum rather than gold. Given its prospectivity, Nigeria is highly underexplored and potentially represents a new frontier for gold exploration.

**Promising exploration work:** Exploration work on Dagma and Paimasa has so far shown considerable promise. An initial shallow 8-hole drilling campaign was undertaken at Dagma by Moydow's joint-venture partner in 2018. This yielded a discovery of a high-grade quartz vein system. Bulk sampling of the artisanal workings returned interesting results. A 100 kg sample, for example, had an average grade of 23.0 g/t. Panthera believes that the drilling results at Dagma confirm the presence of a significant gold mineralisation system.

**Drilling commenced at Paimasa in late 2020:** Following extensive field work, the Gaura joint-venture commenced drilling at Paimasa in late 2020. By late January 2021 294m of diamond and 1,369m of RC drilling had been carried out at the southern prospect. Assay results are expected by Panthera to be announced by end first quarter 2021. Moydow has indicated that the Gaura joint-venture is contemplating further drilling campaigns on its Nigerian assets in the second half of 2021. This could be a prelude to establishing a JORC or a NI 43-101 resource.

## India projects

### Legal background and ownership

**Direct interest in the Bhukia gold and the Taregaon copper-gold projects:** Panthera has direct interests in two exploration projects in India. These are the Bhukia gold project in Rajasthan and the Taregaon copper-gold project in Madhya Pradesh. The interests are held through the Australian legal entity Indo Gold Ltd (IGL) which is owned 95% by Panthera Resources plc. The minority interest is owned by the Indian company, Galaxy Gold Mining Ltd. IGL's interests in the two projects are held via an Indian joint-venture company, Indo Gold Mines Pvt Ltd (IGMPL). The shareholding of this is split 70% IGL and 30% Metal Mining Ltd (MMI), an Indian company owned by Mr Surender Chaku. MMI owns the mineral properties and is the Prospecting Licence application (PLA) holder. It also is responsible for liaison work with Indian government authorities and the sign-off of documentation and correspondence.

Under a legally binding Heads of Agreement (HoA) between the IGMPL shareholders, IGL has been assigned the right to explore and develop the Bhukia and Taregaon projects. Effectively, these are held in trust for the joint-venture. Currently, IGL has a 70% interest in the projects subject to certain conditions under the HoA as follows:

- IGL free carries MMI for all exploration work and the completion of a bankable feasibility study (BFS). The HoA further stipulates that the BFS is either produced independently such that funds can be raised in the capital markets or inhouse such that private funding can be obtained.
- IGL completes a BFS within five years of a Bhukia prospecting licence being granted by the Rajasthan state authorities. In the event that this fails to happen the shareholdings in IGMPL will revert to 30% IGL and 70% MMI.

Post the completion of the BFS both parties would either need to finance pro-rata to shareholding or accept dilution. Importantly, under the terms of the HoA MMI will be required to transfer the prospecting licence to IGMPL.

### Attributable interest

**Attributable interest is 66.5%:** Panthera's attributable interest in the Indian projects based on the HoA is 66.5%. It is less than would be suggested by the IGMPL shareholding due to Galaxy Mining's minority interest in IGL.

### Prospecting licence application

**Inability to obtain a Prospecting Licence:** To obtain mineral rights and advance the Indian projects Prospecting Licences (PL) are needed. These are conferred by state governments under national mines legislation. In the case of Bhukia, IGL and its joint-venture partner MMI have been thwarted in obtaining a PL over an extended period by bureaucratic objections and delays in legal remedies.

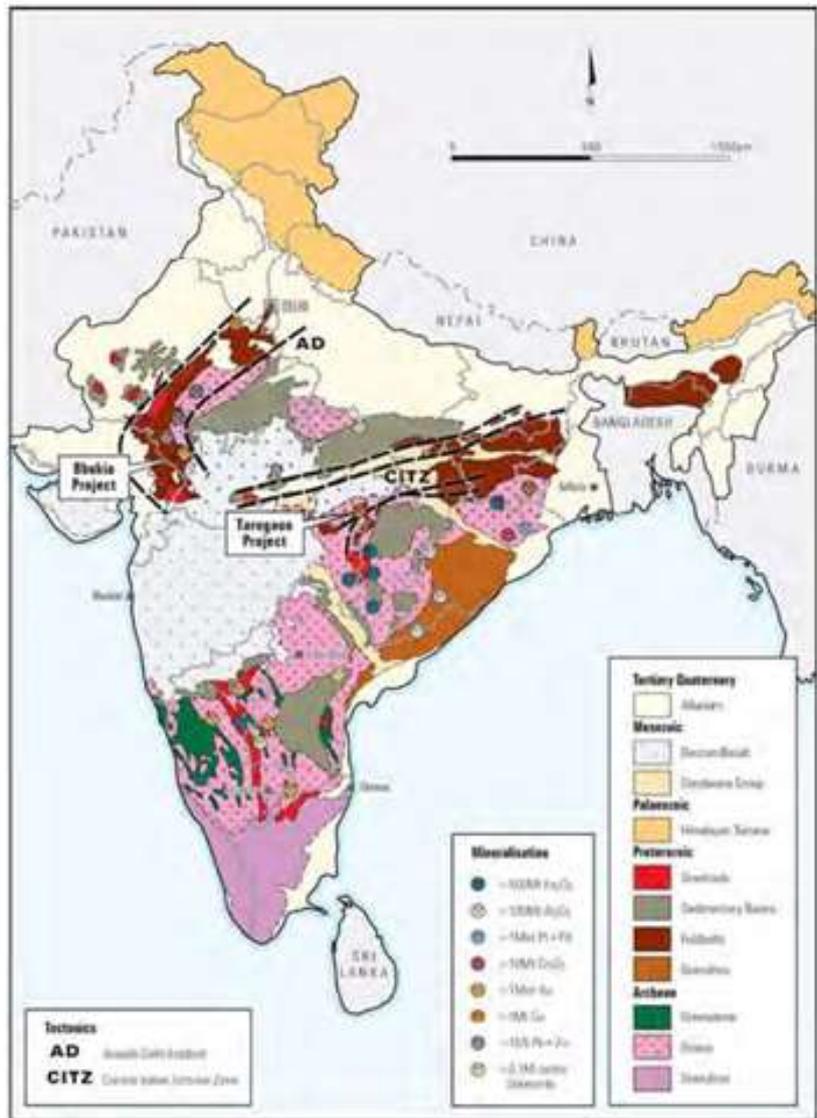
**Writ petition to the High Court of Rajasthan rejected in November 2019:** The most recent application was rejected in August 2018 on what Panthera regarded as spurious grounds relating to detailed legal points. MMI responded by seeking recourse through the High Court of Rajasthan by means of a writ petition. The Government of Rajasthan replied over a year later in November 2019 using the same grounds for rejection as previously. MMI issued a new rejoinder rebuffing the points raised. Importantly, however, MMI obtained an interim Stay Order from the High Court of Rajasthan. This protects the joint venture's legal rights by restraining the Government of Rajasthan from granting third party rights within the application area.

**Resource development projects in India can be very challenging:** Assuming there is not an amicable resolution of the dispute, the next stage in the proceedings will be for the

High Court of Rajasthan to adjudicate. It is an open question as to when this might happen. Not surprisingly, Panthera believes it has a strong case based on the facts. Possibly there could be an amicable resolution in advance of a hearing. In theory a Bhukia mine development could offer significant economic benefits to Rajasthan. Natural resource development can be very challenging in India for a variety reasons based on local politics, environmental and land right issues.

**Ultimately litigation may be required under international treaty obligations:** The latest development in the long-running Bhukia PL saga has been the recent appointment by Panthera of the Toronto-based international law firm, Fasken. The appointment relates to a possible dispute between the company and the Republic of India, if redress is not possible in Rajasthan. Fasken is well versed in dispute resolution and litigation particularly in the mining sector. Panthera has pointed out that India has obligations under the Australia-India Bi-lateral Investment Treaty of February 1999. It has noted the precedent recently established in a case involving Cairn Energy and India which was settled in favour of the former based on international treaty obligations.

Exhibit 14: India simplified geology and project location



Source: Golder Associates CPR

## Bhukia project

**World class potential:** Panthera believes Bhukia has the potential to be a world class gold development project based on the apparently sizeable resource base. More conservatively perhaps, Golders in its CPR referred to Bhukia as being an advanced exploration project with high prospectivity once tenure has been granted.

**Location 400 km south of Jaipur in the State of Rajasthan-----:** Bhukia is located in the south of the State of Rajasthan, north west India. The application area covers 21.07 km<sup>2</sup> and lies about 150 km south east of Udaipur and 400 km south of the state capital of Jaipur. The climate is dry tropical with pronounced wet and dry seasons. Average rainfall is about 450mm/year. The terrain is flat to undulating with much of the lowland used for agriculture and habitation.

**-----in the Palaeoproterozoic volcanic-sedimentary fold-belt:** Geologically the Bhukia property lies within a Palaeoproterozoic (2.5-1.6bn years' ago) volcanic-sedimentary fold-belt which underlays much of Rajasthan and parts of Gujarat. This is bound in the west by an Archaean craton and in the east by a Mesoproterozoic (1.6-1.0bn years' ago) volcano-sedimentary fold belt which hosts iron-oxide-copper-gold deposits. The whole fold-belt has been subject to intrusive magmatic activity between approximately 3 and 1bn years' ago. Within the immediate vicinity of Bhukia the geology is highly complex reflecting three phases of folding and variable intensity of alteration. The host stratigraphy is the Jagpura formation which comprises schists, quartzites and marble.

**Gold Survey of India first observed in the area in the 1970s:** Evidence of gold mineralisation first became apparent at Bhukia in the 1970s when the Geological Survey of India (GSI) and the Rajasthan Department of Mines Geology (DMG) undertook appraisal drilling in search of copper on some ancient mine workings thought to be >2,000 years old. During field work in the 1990s the GSI observed gold and in further testing the presence of significant quantities of gold was confirmed. The Indian base metal major, Hindustan Zinc Ltd, undertook a significant shallow diamond drilling campaign in 1993. Despite establishing a significant resource of 8.7m tonnes @ 2g/t for 0.57m oz Au, Hindustan abandoned the project following an unsatisfactory heap-leach trial.

**IGMPL JORC inferred resource in 2012 of 1.74m oz Au:** Panthera became involved with the Bhukia project in 2005 when it established the IGMPL joint-venture. After making a reconnaissance of the 207 km<sup>2</sup> Jagpura area, IGMPL then carved out a much smaller zone of 21.07 km<sup>2</sup> for more intensive appraisal. IGMPL drilled 21 holes on the site. A JORC compliant inferred resource was estimated by the independent consultants, Golder Associates in 2006. On a gross basis this came in at 38.5m tonnes @ 1.4g/t 1.74m oz Au. Assuming a 66.5% interest, the net attributable resources would be 1.16m oz. The assessment was based on 72 holes drilled over 12,299m. In total, over 50,000m of drilling took place at Bhukia between the 1980s and 2014. The CPR noted that because the JORC resource assessment was only based on 10% of the gold in soil anomaly defined at the 100 ppb level, further drilling has an excellent chance of boosting the resource base.

**GSI's estimated gold resources of 6.7 m oz Au but non-JORC compliant:** The GSI has also given a resource estimate, albeit non-JORC compliant, for Bhukia. This is a substantial 106m tonnes @ 2.0 g/t, 0.15% Cu and 6.7m oz Au. We note that a resource of this magnitude would imply potential Tier 1 status for a mining operation.

### Why is Bhukia interesting?

We believe Bhukia has a number of positive characteristics as follows:

- The potential for a Tier 1 resource base in terms of scale.
- Better than adequate grades plus copper credits, as yet not accurately quantified.

- The potential for open-pit mining given that gold resources are apparently relatively close to the surface.
- The potential for a competitive position on the international cost curve reflecting scale, open-pit mining and reasonable grades.
- Apparently good access to logistical and power infrastructure.
- Likely good availability of labour at all skill levels

#### Where does the Bhukia project go from here?

**It all depends on a Prospecting Licence being granted:** The short answer to the above is that it all depends on whether a Prospecting Licence is granted. Assuming that ultimately one is forthcoming, we can obtain some insights into what might follow next from Golder's CPR which contained the thoughts on the subject, of Panthera Chairman, Michael L Higgins.

According to the Chairman in a base case scenario, a \$25-30m work programme is envisaged in the three years post the granting of a Prospecting Licence. This would involve the following:

- Focus on a multi-stage mine development programme.
- Establishing a mineable proven and probable reserve of 1.2m oz Au.
- Planning for an open-pit mine and processing facility capable of operating at 40,000 to 85,000 oz Au pa.
- Undertaking a bankable feasibility study (BFS) as defined by the joint-venture agreement to be completed in the third year along with the application for a Mining Licence.

The CPR also contained a more bullish upside scenario costing over \$30m. The key elements of this would be as follows:

- Boost the JORC compliant resource from 1.74m oz to around 6m oz to justify developing a large open-pit mining operation from the outset. We also presume that such a programme would entail establishing a sizeable proportion of indicated resources and proven and probable reserves. Increasing the JORC compliant resource base will clearly require a major new drilling programme along with technical studies. We believe that a 6m oz resource, if it became a reserve, could imply an annual production rate of 400,00-500,000 oz Au.
- Commence scoping and feasibility studies in year three. Under this scenario we think BFS completion is unlikely before year four. Note, the greater scope of the project would increase front-end engineering and design (FEED) costs compared with the base scenario.
- Apply for a Mining Licence in the third or possibly the fourth years, depending on the results of the feasibility study.

## Taregaon project

**Early-stage copper-gold project in southern Madhya Pradesh:** Taregaon is an early-stage copper-gold project situated in the Balaghat District of southern Madhya Pradesh state in north-central India. The project covers 10.03 km<sup>2</sup> and is about 10 km east of Hindustan Copper's Malanjkhanda copper mine and 90 km north east of the city of Balaghat. The

Malanjkhand mine commenced operations in the early 1980s and is India's largest source of mined copper. Industry sources suggest annual production of about 2m tonnes of ore yielding 23,000 tonnes of copper and by-product gold and molybdenum. Reserves have been put by Hindustan Copper at 202m tonnes at 1.2% Cu. Malanjkhand is seen by industry observers as one of the world's oldest copper-gold porphyry deposits.

**Exploration programme by IGMPL in the Malanjkhand area led to the Taregaon discovery:** Under the auspices of a Reconnaissance Permit, IGMPL conducted an exploration programme in the broader Malanjkhand area between 2010 and 2013. The programme comprised compilation and evaluation of previous exploration data, regional stream sediment sampling and geological mapping and prospecting. The work culminated in the Taregaon discovery based on a significant 1.5km X 1.0km soil anomaly of over 100 ppb Cu. Panthera believes that Taregaon has the potential to host a large porphyry copper-gold system.

MMI applied for a Prospecting Licence at the expiry of the Reconnaissance Permit in 2013 but this has yet to be granted.

### Anglo Saxony Mining Ltd

Panthera announced on February 26, 2021 the disposal of its 14.2% stake in the London-based, tightly held Anglo Saxony Mining Ltd (ASM). The consideration was £1.17 or \$1.64m with payment scheduled on or around the announcement date. There will also be a profit booked on the deal of £0.39m or \$0.55m. The investment was considered by management to be non-core. Funds from the disposal will significantly strengthen the balance sheet and enable exploration/appraisal activity in West Africa to be accelerated near-term without diluting existing shareholders.

## Risks and challenges

Given its status as a gold exploration junior, Panthera is an inherently high-risk investment. Significantly, all projects have yet to reach pre-feasibility study status and none of those in Burkina Faso, Mali and Nigeria have JORC or NI 43-101 compliant resources. We would, however, note that the projects in Burkina Faso and Mali are all located in one of the world's great gold mining provinces, the West African Birimian Greenstone Belt and initial appraisal activity has yielded promising results. In India Panthera has the potentially world class in scale Bhukia project but unfortunately for the moment, at least, this cannot be unlocked due to legal/political constraints.

We see the key risks and challenges facing Panthera as follows:

- A long and potentially costly process to advance the Burkina Faso and Mali projects through to a successful pre-feasibility study. We believe that to achieve a saleable project it will be necessary to arrive at this status to demonstrate adequate de-risking.
- A deteriorating security situation in Burkina Faso and Mali due to Islamic terrorism. This could make exploration work hazardous and potentially increasingly expensive. A key issue here is whether France decides to downsize its military presence in the region. President Macron, not surprisingly, has commented recently on the desirability of avoiding 'forever wars'.
- Potential amendments to the constitutions of Burkina Faso and Mali which could adversely impact the fiscal, royalty and ownership regimes for the gold mining sector. Such changes would negatively impact valuations. The current interim Prime Minister of Mali has suggested that constitutional changes could be pending.
- An extended dispute with the Rajasthan State authorities over granting a Prospecting Licence for the Bhukia project. Panthera might ultimately be able to arrive at an amicable agreement with the government of Rajasthan or in extremis might be able to resort to initiate litigation under international treaty law. This could however be a lengthy and expensive process with an uncertain outcome.
- An extended period of weakness in the gold price due perhaps to an upward trend in US dollar bond yields. This could dampen investor interest in gold plays.
- Potentially hefty cash requirements for exploration and project de-risking imply significant dilution risk for early-stage investors unless they participate in share issues. This, however, is an underlying risk for all pre-revenue resource exploration juniors. The ASM disposal has reduced this risk near-term.

## Financials

### Income statement

**Exploration outlays expensed through the income statement:** Reflecting its status as a gold exploration junior, Panthera Resources has no revenues. Interestingly, all exploration costs are expensed through the income statement rather than capitalised in the balance sheet as is generally the case for junior resource companies. We believe the two key income statement line-items to focus on are expended exploration outlays and administrative expenses. These two line-items are the principal determinants of cash usage.

**Subdued exploration outlays and G&A----** In the three full years post the IPO in December 2017 administrative expense and exploration outlays averaged \$945,000 and \$550,000 respectively. Additionally, in 2018 there was G&A expense of \$825,000 relating to AIM listing expense and share options. For the year to March 2020 administrative expense came in at \$819,000, the lowest level in the three years since the IPO. Administrative expense continued to decline in the six months to September 30, 2020. At \$348,392, it was 12% down on a year earlier. We believe administrative expense will remain on a subdued path in the six months to March 2021 reflecting a tight financial position and the depressing influence of covid-19 travel restrictions. For the year to March 2021, we look for administrative expense of \$695,000, down 15% on a year earlier. We regard as decidedly modest for a gold exploration junior.

-----**reflecting in part financing constraints:** Exploration expenditure in the year to March 2020 was also decidedly subdued at \$365,000, down 46% on a year earlier. Furthermore, outlays remained depressed in the six months to September 2020. At \$225,415 they were 22% lower than in 2019. We look for exploration expenditure for the year to March 2021 of \$475,000 which again reflects subdued spending given Panthera's interests across eight projects. Depressed spending, we believe, reflects primarily a combination of the tight financial position, the Moydow spin-off and the ongoing legal constraints on exploration activity in India. We understand, however, that exploration activity is now poised to gather momentum driven by the projects in Burkina Faso and Mali. The key objective is to intensify exploration and appraisal activity thereby accelerating project de-risking and establishing JORC compliant resources.

**Forecast EBITDA loss in 2020/21 of \$1.16m but bottom profit of \$2.2m reflecting gains on the ASM disposal and the Moydow transaction:** On an EBITDA basis we look for a loss in the year to March 2021 of \$1.16m or similar to the previous year's \$1.13m. It should be noted that for the year to March 2021 there will probably be a significant profit at the comprehensive income level. This reflects gains on both the Moydow transaction and the disposal of ASM. Panthera booked a gain of \$2.79m for the six months to September 2020 and there is likely to be one of \$0.55m for ASM in the second half. Our forecast for comprehensive income net of minority interest for the year to March 2021 net of minority interest for the year to March 2021 is \$2.22m against a loss in the previous year of \$1.09m.

**Widening of the EBITDA loss in 2021/22 reflecting higher G&A and particularly exploration outlays:** For the year to March 2022, we look for a widening of the EBITDA loss to \$1.43m, up 23% on 2021. This reflects higher G&A and particularly exploration expenditure. In the case of the former, our forecast is for a gain of 5% to \$0.73m driven by rising activity and a possible rebound in travel as covid restrictions are eased or lifted. Exploration expenditure will probably show a strong gain driven by plans to step-up appraisal activity in Burkina Faso and Mali. We look for a gain of 47% to \$0.70m which would be the highest level since the IPO. The forecast assumes modest drilling activity in the second half of the year to March 2022. Given the extreme uncertainty surrounding the availability of the Prospecting Licence we have not included any allowance for exploration

outlays in the 2022 forecast for the Bhukia project. As we have noted, a full-scale development of Bhukia would involve a quantum leap in outlays.

#### Exhibit 15: Income Statement

Year end March						
US\$000s	2017	2018	2019	2020	2021e	2022e
Revenue	0	0	0	0	0	0
<b>EBITDA</b>	<b>-482</b>	<b>-2523</b>	<b>-1571</b>	<b>-1126</b>	<b>-1157</b>	<b>-1430</b>
Other income	0	0	30	58	13	0
Exploration costs expensed	-53	-609	-676	-365	-475	-700
Depreciation	-2	-5	-10	-2	0	-2
Administrative expense	-413	-1090	-925	-819	-695	-730
Impairments	-16	0	0	0	0	0
Other	0	-825	0	0	0	0
<b>EBIT</b>	<b>-484</b>	<b>-2528</b>	<b>-1581</b>	<b>-1128</b>	<b>-1157</b>	<b>-1432</b>
Investment revenues	8	15	8	0	0	0
(Loss)/profit on sale of investments	165	0	-8	0	0	0
<b>Loss before tax</b>	<b>-311</b>	<b>-2513</b>	<b>-1581</b>	<b>-1128</b>	<b>-1157</b>	<b>-1432</b>
Changes in the fair value of financial assets	-251	147	50	0	0	0
Gain on sale to non-controlling interest	0	0	500	0	2790	0
Exchange differences	25	733	-35	-5	-4	0
Other	0	0	0	0	547	0
Comprehensive income/(loss)	-537	-1633	-1066	-1133	2176	-1432
Non controlling interest	16	34	27	43	44	45
<b>Net income</b>	<b>-521</b>	<b>-1599</b>	<b>-1039</b>	<b>-1090</b>	<b>2220</b>	<b>-1387</b>
Shares outstanding average m	51.64	61.77	67.61	72.74	83.05	90.88
EPS (continuing operations) \$	-0.01	-0.04	-0.02	-0.01	0.03	-0.02

Source: Company and Allenby Capital

## Balance sheet and cash flow

Panthera finished the year to March 2020 with a marginal cash balance of \$98,000, down from \$188,000 a year earlier. During the year, the outflow from operations of \$947,000 slightly exceeded share issues including the share subscription by Galaxy in Indo Gold Ltd.

**Comfortable cash position forecast at end March 2021 of \$1.90m:** Net of a share raise of \$444,000, Panthera achieved a modest cash inflow in the six months to September 2020 of \$18,216. This boosted the cash balance to about \$116,000. The raise was undertaken at 3.68p/share. During the second half of the year to March 2021 Panthera has raised a significant amount of cash via the exercise of warrants and options, through the Moydow transaction and most recently by the disposal of the ASM stake. The amounts involved are \$0.40m, \$0.48m and \$1.64m respectively. As a result, Panthera's financial status has been transformed. At end March 2021 we are looking for a cash position of \$1.90m.

Abstracting perhaps from a major diamond drilling programme Panthera's financing needs should be comfortably underpinned through at least the first nine months of the year to March 2022. Based on our forecast cash outflow of \$1.42m we still expect a cash balance at year end of \$0.48m.

**Exhibit 16: Balance sheet**

<b>Year end March</b>						
<b>\$000s</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Non-current assets</b>						
Property plant and equipment	4	11	4	3	3	6
Investments	0	16	22	6	2175	2175
Financial assets at fair value	1137	1341	1918	947	0	0
<b>Total</b>	<b>1141</b>	<b>1368</b>	<b>1944</b>	<b>956</b>	<b>2178</b>	<b>2181</b>
<b>Current assets</b>						
Trade and other receivables	45	80	343	65	65	65
Cash	265	1572	188	98	1897	478
<b>Total</b>	<b>310</b>	<b>1652</b>	<b>531</b>	<b>163</b>	<b>1962</b>	<b>543</b>
<b>Total assets</b>	<b>1451</b>	<b>3020</b>	<b>2475</b>	<b>1119</b>	<b>4140</b>	<b>2724</b>
<b>Non-current liabilities</b>						
Provisions	35	41	38	36	36	36
<b>Current liabilities</b>						
Provisions	0	2	6	9	9	9
ST debt	0	0	0	0	0	0
Trade and other payables	58	162	300	313	313	329
<b>Total current liabilities</b>	<b>58</b>	<b>164</b>	<b>306</b>	<b>322</b>	<b>322</b>	<b>338</b>
<b>Total liabilities</b>	<b>93</b>	<b>205</b>	<b>344</b>	<b>358</b>	<b>358</b>	<b>374</b>
<b>Net assets</b>	<b>1358</b>	<b>2815</b>	<b>2131</b>	<b>761</b>	<b>3782</b>	<b>2350</b>
<b>Net cash/(debt)</b>	<b>265</b>	<b>1572</b>	<b>188</b>	<b>98</b>	<b>1897</b>	<b>478</b>
<b>Shareholders' equity</b>						
Share capital	16211	914	914	1010	1221	1221
Reserves	-14689	2099	1442	19	2873	1486
Total equity attributable to parent	1522	3013	2356	1029	4094	2707
Minority interest	164	198	225	268	312	357
<b>Total equity</b>	<b>1358</b>	<b>2815</b>	<b>2131</b>	<b>761</b>	<b>3782</b>	<b>2350</b>
<b>Shareholders' equity and liabilities</b>	<b>1451</b>	<b>3020</b>	<b>2475</b>	<b>1119</b>	<b>4140</b>	<b>2724</b>
Shares outstanding end year m	52.99	67.61	67.61	75.21	90.88	90.88

Source: Company and Allenby Capital

**Exhibit 17: Cash flow statement**

<b>Year end March</b>						
<b>\$000s</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021e</b>	<b>2022e</b>
Loss before tax	-310	-2513	-1581	-1128	-1157	-1432
Depreciation	2	5	10	2	0	2
Equity share based payments	-95	470	0	0	0	0
Other	45	104	0	136	-4	0
<b>Operational cash flow before wc</b>	<b>-358</b>	<b>-1934</b>	<b>-1571</b>	<b>-990</b>	<b>-1161</b>	<b>-1430</b>
Receivables (inc)/dec	0	-46	-13	28	0	0
Payables inc/(dec)	-6	105	136	14	0	16
Provisions( inc)/dec	2	6	4	1	0	0
<b>Operational cash flow</b>	<b>-362</b>	<b>-1869</b>	<b>-1444</b>	<b>-947</b>	<b>-1161</b>	<b>-1414</b>
Purchase of intangible assets	12	0	0	0	0	0
Purchase of property and plant	8	-12	-3	-1	0	-5
Sale/(purchase) of financial assets	229	-77	243	50	1640	0
Share issues	275	3272	0	636	845	0
Share disposals in subsidiaries	0	0	0	250	475	0
Other	-47	-7	-180	-78	0	0
<b>Cash flow</b>	<b>115</b>	<b>1307</b>	<b>-1384</b>	<b>-90</b>	<b>1799</b>	<b>-1419</b>
<b>End year cash</b>	<b>265</b>	<b>1572</b>	<b>188</b>	<b>98</b>	<b>1897</b>	<b>478</b>

Source: Company and Allenby Capital

## Share price performance and valuation

### Performance review

**Flat to down trend since the IPO:** The trend in the Panthera share price since the December 21, 2017 IPO has been flat to slightly down. At the end of February 2021, the stock was boosted by about 25% by the news of the ASM disposal and the excellent Bido soil sampling survey results. The former development removed any lingering concerns about near-term financial viability and the need for a sizeable share issue. In early March 2021, the stock was trading at 21.0p, down 11% from 23.5p/share at the time of the IPO. For comparison, between late December 2017 and early March 2021 the iShares ETF, RING, a diversified grouping of mainstream senior gold miners was up 43% while gold had gained 37% to \$1,730/oz. Looking at AIM-listed Cora, which is arguably the closest comparator to Panthera, given its Mali exploration focus, Panthera has outperformed. Cora has fallen by about 33% since late December 2017.

**Performance constrained by cash limitations and litany of legal and bureaucratic delays in India:** We believe the trend in Panthera's share price performance has been heavily constrained since the IPO by two key factors. These are firstly cash limitations which have severely constrained exploration and appraisal work in Burkina Faso and Mali and prevented projects being expeditiously advanced to resource assessment and pre-feasibility study status. The lack of cash has also dampened investor sentiment due to the threat of heavily dilutive share issues. The second dampener on share price performance has been the ongoing litany of legal and bureaucratic delays in obtaining a Prospecting Licence for Bhukia in India.

**Moydow transaction and ASM disposal have transformed the outlook for financing and project development:** The key question now surrounding Panthera is are the constraints being removed. We believe the answer to this question is a resounding yes. Key developments have been the Moydow transaction, the ASM disposal and the exercising of warrants. Moydow has provided both some much needed cash and most importantly a vehicle for advancing the pace of exploration and development in Burkina Faso and Mali. As noted previously, the ASM disposal has yielded a very significant source of funding to bolster the balance sheet and advance project development without recourse to dilutive sheet issues. Unfortunately, the logjam persists in India but for the moment, at least, this is offset by what is a highly prospective portfolio of projects in West Africa, one of the world's principal gold producing provinces.

Exhibit 18: Comparative valuation of West African gold exploration juniors

Company name	Refinitiv symbol	Share price	Enterprise value US\$m	Leading project	WA jurisdiction	Development stage	Resource m oz Au (100%)			Au grade g/tonne	Resource standard	EV/ resource US\$/oz
							Indicated	Total	% indic.			
<b>Panthera Resources excl India</b>	PATP: AIM	18.0p	23	Labola BF	BF, M	AE	0	1.00	0	1.2	Internal	50
<b>Cora Gold</b>	CORAC: AIM	7.88p	24	Sanankoro M	M, S	AE	0	0.27	0	1.6	Internal	89
<b>Golden Rim Resources</b>	GMR: ASX	A\$0.009	15	Kouri BF	BF, Gu	AE	0.28	2.00	14	1.3	JORC	8
<b>Marvel Gold</b>	MVL:ASX	A\$0.05	24	Tabakorole M	M	AE	0.29	0.91	32	1.2	JORC	26
<b>Montague Gold</b>	MAU: TSX-V	C\$0.86	66	Morondo CI	CI	AE	0	3.16	0	0.8	Internal	21
<b>Newcore Gold</b>	NCAU: TSX-V	C\$0.67	51	Enchi Gh	Gh	AE	0	1.22	0	0.7	NI 43-101	42
<b>Sarama Resources</b>	SWA: TSX-V	C\$0.30	19	Sautura BF	BF, M, L	AE	0.58	1.89	31	1.6	NI 43-101	10
<b>Tietto Minerals</b>	TIE: ASX	A\$0.365	122	Abujar CI	CI	PFS	1.24	3.02	41	1.2	JORC	40
<b>Panthera Resources incl India</b>	PATP:AIM	18.0p		Lebola BF				1.00			Internal	
				Bhukia				1.74			JORC	
			23					2.74				8

Source: Company reports and Allenby Capital estimates

Notes: Prices are as at February 22, 2021 status. Jurisdiction legend: BF = Burkina Faso, CI = Côte d' Ivoire, Gh = Ghana, Gu = Guinea, M = Mali, S = Senegal. Exchange rates: US\$1=A\$1.272, US\$1=C\$1.261. Panthera EV/resource Au oz reflects the 46.2% interest in the Lebola tenement. Stage of development: AE = Advanced exploration, PFS = pre-feasibility study.

## Valuation methodology

**Sum-of-the-parts valuation benchmarked against the West Africa juniors:** As a gold exploration junior with several projects and assets in different jurisdictions, we propose valuing Panthera on a sum-of-the-parts basis. The key metric for this task is enterprise value per ounce of gold benchmarked against comparable junior stocks operating in West Africa. As we have noted, there are 15 to 20 such stocks of which we have selected seven for benchmarking purposes. For these EV/oz Au quotients range between US\$8 in the case of ASX-listed Golden Rim Resources and US\$89 for AIM-listed Cora Gold. The average for our universe is US\$34. For comparison, we note that for a group of eight mid-tier gold plays with major operations in West Africa EV/oz Au quotients range from \$36 to \$211 and average \$138.

**Valuation quotient of \$34/oz used for most advanced projects:** In valuing Panthera we have applied \$34/oz to those projects where resource bases can plausibly be estimated. These are Labola in Burkina Faso, Kalaka in Mali and Bhukia in Rajasthan, India. For Labola we have used potential resources of 1 m oz gross which is the mid- point of the range estimated by Panthera. The resource base used for valuation purposes for Kalaka is 0.5m oz reflecting the top end of the range for the K1A prospect estimated by the licence holder. We have adjusted for working interest related to the Moydow deal. It is assumed for both Labola and Kalaka that the Moydow/Panthera joint-venture own 90% of the projects with the respective governments owning the balance on a free-carry basis.

**Subjective probability project risking of 35% to 75% applied in West Africa:** Given that neither the Labola or Kalaka resource estimates are JORC or NI 43-101 compliant, we have applied a risking factor to both. This is our subjective probability assessment of successfully completing a pre-feasibility study. The risking factors are 75% for the advanced stage Labola and 35% for the earlier stage Kalaka. Note here that although no JORC or NI 43-101 resources have been defined, the Birimian Greenstone belts are a well

proven source of gold in Burkina Faso and Mali. Furthermore, clear evidence of gold has been identified through soil anomaly analysis, geo-physical work and artisanal workings.

**Subjective nominal valuations applied to early-stage West Africa projects:** In the case of those projects in Burkina Faso, Mali and Nigeria where exploration is at too earlier a stage to derive a resource base, we have assigned subjective nominal valuations. These allow for cumulative outlays to date and an element of promote for apparently promising early-stage exploration activity. For the Bido and Bassala projects in Burkina Faso and Mali respectively we have used \$2m in each case. The two Nigerian projects have been valued at \$1m in both cases remembering that Panthera's interest is much lower than in the other projects.

**Subjective probability risking of 10% applied to Bhukia:** The Bhukia project in India is potentially easily the largest contributor to valuation by virtue of the scale of the estimated resource base. As noted earlier, the drawback is the legal backdrop which is stymying project development. Our starting point for Bhukia is the inhouse resource estimate of 6.7m oz Au. We have scaled this back to 4.46m oz to allow for Panthera's interest of 66.5% allowing for the joint-venture with MMI and the Galaxy minority. Given the uncertainty surrounding the project, we have then applied a risk factor of 10% which is equivalent to the subjective probability of a pre-feasibility study being successfully concluded. Our valuation quotient for Bhukia is \$34/oz which is the same as for the West African projects. For the Tarageon copper project in India we have assigned a nominal \$0.5m reflecting the very early-stage status.

**Valuation includes forecast March 2021 cash:** The last component of the valuation is cash. We have added our March 31, 2021 year-end cash forecast of \$1.9m which largely comprises the proceeds of the ASM disposal.

**Exhibit 19: How the mid-tier gold stocks compare**

Company	Refinitiv		Enterprise value US\$m	Resources oz Au m			Grade g/tonne Au	EV/resource US\$/oz
	symbol	Price		M+I	Inferred	Total		
B2Gold	BTO:TSX	C\$6.11	5102	17.27	6.86	24.13	2.0	211
Endeavour Mining	EDV:TSX	C\$25.54	5624	22.63	6.29	28.92	2.0	194
Hummingbird Resources	HUMR:AIM	23.0p	167			2.00	2.2	84
IAMGold	IMG:TSX	C\$4.04	1249	23.91	11.27	35.18	1.0	36
Perseus Mining	PRU:ASX	A\$1.155	1122	5.08	2.05	7.13	1.2	157
Resolute Mining	RSG:ASX	A\$0.67	852	8.25	2.78	11.03	2.7	77
RoxGold	ROXG:TSX	C\$1.45	451	1.90	0.49	2.39	5.8	189
Thor Explorations	THX:TSX-V	C\$0.21	98	0.47	0.16	0.63	5.5	156

Source: Company reports and Refinitiv.

Notes: All the above companies have substantial operations in West Africa. Prices and EV's are as at February 2021 status. M+I is measured plus indicated.

## Our valuation

**Riskied valuation of \$36.6m:** Based on the above methodology our riskied valuation for Panthera Resources is \$36.6m or £26.2m at an exchange rate of £1=\$1.40. The sterling valuation reflects a 37% premium to the market capitalisation on March 1, 2021 of £19.1m using the closing price of 21.0p/share. Looking at the breakdown, the valuation for the West African gold projects plus the forecast end March 2021 cash position is £15.0m or 79% of the March 1 market capitalisation.

**Granting a Bhukia Prospecting Licence would release considerable valuation upside:** A key issue now concerning the valuation relates to Bhukia legal decisions and specifically whether a Prospecting Licence is granted in the months ahead. Such a grant would boost the subjective probability of success, unlock the project and potentially result in a major uplift in valuation. Increasing the probability of success to perhaps 35% for Bhukia while holding everything else constant would raise the absolute valuation to \$75m or £53m.

**Forecast March year-end cash precludes need for near-term valuation/share dilution:**

For junior resource companies, usually the only method of financing exploration and development activity along with G&A is through equity issues. Therefore, usually we dilute valuation per share by share raises to cover the expected cash outflow in the year ahead. Since Panthera's financing needs in 2021/22 look like being adequately covered by the end March cash position, we have not made a dilution adjustment. Of course, in the future Panthera will need to raise cash even unless it secures a free-carry joint-venture partner to finance project development. This would involve conceding substantial project equity interest which is another form of dilution.

Based on the current shares outstanding of 90.88m our risked per share valuation is 28.8p. This is 37% above the March 1, 2021 closing price of 21.0p/share.

Exhibit 20: Panthera Resources valuation								
Country/project	Gross resources	Panthera interest	Attributable resources	Valuation quotient	Risk factor	Absolute valuation		Valuation/share
	Au oz m	%	Au oz m	\$/oz	%	US\$ m	£ m	£
<b>Burkina Faso</b>								
Labola	1.00	41.6	0.416	34	75	10.61	7.58	0.083
Bido		90.0				2.00	1.43	0.016
<b>Total</b>						<b>12.61</b>	<b>9.01</b>	<b>0.099</b>
<b>Mali</b>								
Kalaka	0.50	41.6	0.208	34	35	2.48	1.77	0.019
Bassala		90.0				2.00	1.43	0.016
<b>Total</b>						<b>4.48</b>	<b>3.20</b>	<b>0.035</b>
<b>Nigeria</b>								
Paimasa		30.0				1.00	0.71	0.008
Dagma		30.0				1.00	0.71	0.008
<b>Total</b>						<b>2.00</b>	<b>1.43</b>	<b>0.016</b>
<b>Total West Africa</b>						<b>19.08</b>	<b>13.63</b>	<b>0.150</b>
<b>India</b>								
Bhukia	6.70	66.5	4.46	34	10	15.15	10.82	0.119
Taregaon		66.5				0.50	0.36	0.004
<b>Total India</b>						<b>15.65</b>	<b>11.18</b>	<b>0.123</b>
Cash						1.90	1.36	0.015
<b>All projects and assets</b>						<b>36.63</b>	<b>26.17</b>	<b>0.288</b>

Source: Allenby Capital

Notes: Panthera interest and attributable resources in Burkina Faso and Mali a 10% government stake. Risk factor is the subjective probability of the projects successfully completing a pre-feasibility study. Valuations for projects without a resource base have been subjectively assigned. Cash position is forecast end March 2021. Undiluted shares in issue 90.88m. Exchange rate £1=\$1.40.

## Share price catalysts

There is the potential for interesting news flow to emanate from Panthera in 2021/22. This reflects the involvement of its new joint venture partner, Moydow, in advanced stage exploration projects in Burkina Faso and Mali, drilling results from Moydow's projects in Nigeria and the likelihood of stepped-up development activity by Panthera on its directly owned projects. We see the key items of news flow being potentially as follows:

- Announcement of a work programme for 2021/22. We believe this could occur within the March/April time frame.
- The results of Moydow's drilling programme in Nigeria. We think the results of this could surface late in the first quarter or during the second quarter of 2021.
- Drilling results and possibly a maiden JORC resource for the Labola project in late 2021.
- Possible announcement by Moydow of a drilling programme at the Kalaka project in Mali.

At this stage, we have little or no visibility on news flow concerning the Bhukia project given the vagaries of the Indian legal system and decision making within the Rajasthan State government. Conceptually the granting of a Prospecting Licence is a possibility but this is very much a wild card.

## Disclaimer

Allenby Capital Limited (“Allenby”) is incorporated in England no. 6706681; is authorised and regulated by the Financial Conduct Authority (“FCA”) (FRN: 489795) and is a member of the London Stock Exchange. This communication is for information only it should not be regarded as an offer or solicitation to buy the securities or other instruments mentioned in it. It is a marketing communication and non-independent research and has not been prepared in accordance with the legal requirements designed to promote the independence of investment research, and is not subject to any prohibition on dealing ahead of the dissemination of investment research. The cost of Allenby research product on independent companies is paid for by research clients.

This communication is for the use of intended recipients only and only for distribution to investment professionals as that term is defined in article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. Its contents are not directed at, may not be suitable for and should not be relied upon by anyone who is not an investment professional including retail clients. Any such persons should seek professional advice before investing. For the purposes of this communication Allenby is not acting for you, will not treat you as a client, will not be responsible for providing you with the protections afforded to clients, and is not advising you on the relevant transaction or stock. This communication or any part of it do not form the basis of and should not be relied upon in connection with any contract.

Allenby uses reasonable efforts to obtain information from sources which it believes to be reliable. The communication has been prepared without any substantive analysis undertaken into the companies concerned or their securities, and it has not been independently verified. No representation or warranty, express or implied is made, or responsibility of any kind accepted by Allenby its directors or employees as to the accuracy or completeness of any information in this communication. Opinions expressed are our current opinions as of the date appearing on this material only and are subject to change without notice. There is no regular update series for research issued by Allenby.

No recommendation is being made to you; the securities referred to may not be suitable for you and this communication should not be relied upon in substitution for the exercise of independent judgement. Neither past performance or forecasts are a reliable indication of future performance and investors may realise losses on any investment. Allenby shall not be liable for any direct or indirect damages including lost profits arising from the information contained in this communication.

Allenby and any company or persons connected with it, including its officers, directors and employees may have a position or holding in any investment mentioned in this document or a related investment and may from time to time dispose of any such security or instrument. Allenby may have been a manager in the underwriting or placement of securities in this communication within the last 12 months, have received compensation for investment services from such companies within the last 12 months, or expect to receive or may intend to seek compensation for investment services from such companies within the next 3 months. Accordingly, recipients should not rely on this communication as being impartial and information may be known to Allenby or persons connected with it which is not reflected in this communication. Allenby has a policy in relation to management of conflicts of interest which is available upon request.

This communication is supplied to you solely for your information and may not be reproduced or redistributed to any other person or published in whole or part for any purpose. It is not intended for distribution or use outside the European Economic Area except in circumstances mentioned below in relation to the United States. This communication is not directed to you if Allenby is prohibited or restricted by any legislation or registration in any jurisdiction from making it available to you and persons into whose possession this communication comes should inform themselves and observe any such restrictions.

Allenby may distribute research in reliance on Rule 15a-6(a)(2) of the Securities and Exchange Act 1934 to persons that are major US institutional investors, however, transactions in any securities must be effected through a US registered broker-dealer. Any failure to comply with this restriction may constitute a violation of the relevant country's laws for which Allenby does not accept liability. By accepting this communication, you agree that you have read the above disclaimer and to be bound by the foregoing limitations and restrictions.

### Research Recommendation Disclosure

Peter J Dupont is the author of this research recommendation and is employed by Allenby Capital Limited as an Equity Analyst. Unless otherwise stated, the share prices used in this publication are taken at the close of business for the day prior to the date of publication. Information on research methodologies, definitions of research recommendations, and disclosure in relation to interests or conflicts of interests can be found at [www.allenbycapital.com](http://www.allenbycapital.com). Allenby Capital acts as Nomad and broker to Pathera Resources plc.

**Allenby Capital, 5 St Helen's Place London EC3A 6AB, +44 (0)20 3328 5656, [www.allenbycapital.com](http://www.allenbycapital.com)**